



MAN AT THE THRESHOLD
OF THE
XXIST CENTURY

A. Kortunov
A. Nikitin

The "AMERICAN MODEL"



on
the
Scales
of
History

Progress
Publishers
Moscow





MAN AT THE THRESHOLD
OF THE
XXIST CENTURY



A.Kortunov
A.Nikitin

The
"AMERICAN
MODEL"
on the Scales
of History



Progress Publishers
Moscow

Translated from the Russian by *Stephen Coppen*
and *Vitaly Baskakov*

Designed by *Vladimir Bisengaliev*

А. Кортунов, А. Никитин
"Американская модель"
на весах истории

На английском языке

© Издательство "Прогресс", 1985
English translation © Progress Publishers 1985

Printed in the Union of Soviet Socialist Republics

К 0804000000—616 27—85
014(01)—85

Contents

From the Authors	7
<i>Chapter I. THE "AMERICAN MODEL" THROUGH AMERICAN EYES</i>	11
Does an "American Model" Exist?	12
A "Divine Mission" or Just "Sentimental Imperialism"?	17
The Greeks, Romans and Founding Fathers	19
The "Golden Age" of America	22
The Fall of the "American Model"	24
Is America an "Ordinary Country"?	26
The "Decline of American Power"	27
Do Americans Believe in "Americanism"?	30
In Search of New Forms of Leadership	35
The "Social Laboratory"	39
"Fortress America" Assumes the Offensive	42
<i>Chapter II. THE ILLUSION OF "UNLIMITED GROWTH"</i>	47
The Economy on the Starting Line	48
Metamorphoses of Economic Progress	50
The State Comes on the Scene	53
Capitalist Civilisation's Bed of Procrustes	55
Imperatives of the Scientific and Technological Revolution	57
The Myth of the "Social Responsibility" of Business	60
Ecological Dilemmas	62
A State within a State: the Oil Business	68
A State within a State: the Military-Industrial Complex	74
The Threat to Small-Scale Enterprise	82
Behind the Façade of Prosperity	86
"Class Partnership": the Beginning of the End?	89
When the Referee Puts His Gloves On	93
The Working-Class Movement at the Crossroads	96
The American Economy on the Threshold of the 1980s	98
"Reaganomics": Its Potentialities and Limits	104

<i>Chapter III. POLITICAL OUTLOOK</i>	111
Revisiting America.	113
How It All Started. The Plans of the Founding Fathers. . .	117
The Credibility Gap	123
Has Congress Grown Obsolete?	125
Elections and Money	129
On the Way to a Society under Surveillance	134
The Red Tape Monster	141
Decentralisation of Power or Disintegrating America	143
Erosion of Political Traditions	148
Demopublican Coalition	152
Two-Party Monopoly	157
On the Other Side of Political Vacuum	160
A Threat from the Right.	165
Political Change Is Coming	170
<i>Chapter IV. THE REVERSE SIDE OF THE MODEL</i>	175
The Socio-Economic Model and the Outside World	176
The USA and Developing Countries	179
The Price of Modernisation	183
The Social Effects of "Americanisation"	191
American Corporations vs. America	195
Instrument of Political Interference	198
Economic Aid—Philanthropy or an Instrument of a Policy?	202
Special Purpose of Food Aid	206
20th-Century Slavery	211
<i>Chapter V. MAN IN QUEST OF A FUTURE</i>	217
The Americans "Outgrow" Capitalism.	218
The United States in the Changing World	220
Entering the Epoch of Global Problems	222
The Prospects Ahead	225

When we began to study the United States, we were most surprised by the unusual complexity of the political institutions, ideological trends, and the way in which social life is organised in America today. We were struck by the incredible complexity of the public and especially private law of the USA, some elements of the political process seemed to us quite superfluous, and the forms of ownership of the means of production hopelessly out of date for the end of the 20th century. At the same time, we unexpectedly discovered that, for all the differences between the USSR and the USA, there are many similarities, both in the field of cultural traditions and ethical values, and in the treatment of the problems which stand between the two societies.

Such a shallow knowledge of America, however, and the study of individual aspects and areas of her life will not yield understanding of this country. After all, America has everything—for every tendency another can be found to counter it; behind every victory, defeat is to be seen; folly is to be found in wisdom, and in virtue—a hidden flaw. It is easy to praise America, and just as easy to criticise her, but if we were to take either one or the other position, this would save us from having to search for an objective evaluation of the results of the American experiment on building a capitalist society on a new continent which knew neither feudalism nor monarchism and thus offered good conditions for the emergence of a new type of economic and political institutions. But in order to evaluate this experiment, we must first of all determine what forms the basis of the US socio-economic and political system, and what is most important for American society and intrinsically inherent in the logic of its development; we must see what is foreign and has been imposed on American society from without, not meeting the fundamental principles of the structure of the USA. In other words, we must find out what makes American society different from all other societies in the world making us speak of the unique “American model” of

development.

In accordance with the ancient disposition of man to divide the reality surrounding him into good and evil, we have endeavoured to find an answer to the question of whether or not the American experiment has succeeded, but such a simple answer would scarcely be correct. In any case, it would be extremely subjective and highly vulnerable to criticism. In this book we have tried to resolve a different problem: to comprehend what lies at the basis of the much-lauded achievements of the "American model", what causes its scandalous failures, and whether the former can be separated from the latter.

In the last decade the American republic entered the third century of its existence. The people who signed the Declaration of Independence in 1776 were firmly convinced that free citizens would be able to create a great nation being guided by their own wisdom. Today this conviction has been placed under serious doubt.

Mankind knows today that the American political system, which is based on the principle of the "division of power", is capable of overcoming crises and transforming itself. However, mankind also sees the accelerating process of indifference to politics in American society, the manipulation of public opinion by politicians, and the omnipotence of the mass media.

Mankind knows today that the "American model" of development can create a society in which the majority of the population enjoys a high standard of living. For millions of American citizens, however, it is as though this abundance is ridiculing their own lives—for they live in hopeless poverty and despair.

Mankind knows today that the United States is capable of reaching the very highest of peaks in science and technology; of making an enormous contribution to the worldwide treasure-house of knowledge; and of drastically lightening people's work and sharply raising their standard of living. But these very achievements can do irreparable harm to the environment, give rise to multimillion unemployment, and unprecedentedly exacerbate social problems.

Mankind knows today that the United States is capable of creating a colossal military machine in record time. But this military might is used to gain dominance in the world, and to suppress other countries and peoples—and may also be aimed at the destruction of mankind.

Such are the dilemmas of American development, which are taking on particular significance today. The responsibility for choosing America's further path of develop-

ment was never so great in the past as it is today.

It is not necessary to possess a very keen insight to assert that the United States is at present going through a very serious crisis. This is clearly seen in several aspects of American life, and of America's international position, and these will be examined in this book. The gravity of the problems consists mainly not in the difficulty of finding a solution to them (there are not many problems to which, by using the economic and political potentials of the United States, it would theoretically be impossible to find an answer, or at least to find ways of making them less acute), but in the fact that most of them have already been facing American society for long enough and are becoming the centre of embittered social discussion and the object of government programmes. Nevertheless, they do not yield to solution with the help of traditional procedures, methods and institutions characteristic of the "American model". It is clear that without a significant change in these procedures, methods and institutions, without political and social experiments and unless the "American model" is radically revised, America would hardly be able to avoid the aggravation of the socio-economic and political crisis.

We all look to the future of the American people with hope. During our many meetings with American friends, we became convinced that Americans have lost neither their spiritual strength, nor their creative energy. This optimism is the result of a study of American history, which shows that in the most difficult times the American people have been able to pull together, and decisively to break with old illusions and move ahead with redoubled speed.

Andrei Kortunov
Alexander Nikitin

Chapter I

THE "AMERICAN MODEL" THROUGH AMERICAN EYES

Does an "American model" Exist? A "Divine Mission" or Just "Sentimental Imperialism"? The Greeks, Romans and Founding Fathers. The "Golden Age" of America. The Fall of the "American Model". Is America an "Ordinary Country"? The "Decline of American Power". Do Americans Believe in "Americanism"? In Search of New Forms of Leadership. The "Social Laboratory". "Fortress America" Assumes the Offensive.

Does an "American Model" Exist?

The United States is one of the greatest powers in the world today. Its influence over the socio-economic, political, ideological, scientific and technical, and cultural processes and changes going on in the world is great and manifold. The scales and character of natural, human, production, scientific, intellectual and other resources of the country, in combination with the high level of capitalist development which has been reached, all form the objective basis of this influence.

In the 1970s and the first half of the 1980s the question of the specific character and historical significance of the "American model" of social structure, and of America's role in the modern world occupied one of the most important places in heated ideological and political discussions in America herself. Drawing on the materials of these discussions, and on the study of actual processes underway in America today, we are justified in asking ourselves: what is the specific character of American society and what is its place in world history? How do Americans themselves regard the social model of "Americanism", and which historical fortunes await it?

The influence of the United States of America on the fate of the world cannot be understood without taking into account its role in world history as an "experiment" in establishing capitalism as a social system in its purest form and on the widest scale. Frederick Engels wrote that the United States was "modern, bourgeois, from the very origin; ... founded by petits bourgeois and peasants who ran away from European feudalism in order to establish a purely bourgeois society."¹ The unusually intensive development of this society coupled with its simultaneous outward expansion has led to the United States becoming the leading power in the capitalist world in the 20th century. The question of how the "American model" of social development functions is connected with the question of the fate of capitalism in its most developed forms in the era when the world is an arena of confrontation between social systems. In this arena, the USA is not simply one of many states, but a symbol, a model of capitalist development.

In the last decade the question was asked more frequently than ever before in the USA itself, and also in other countries, particularly in connection with the American bicentenary, or whether the American experiment had

succeeded.

It was in the 1970s that the notion of "American exceptionalism" and the "American mission" tottered in the mass consciousness for the first time in American history. The ideas became widespread that American civilisation had already passed its period of inspiration, and that the American nation, now fraught with uncertainty, pessimism and fear, would become a witness to the downfall of the "American century", to America's lagging behind other countries in many parameters, and not only to the loss of the capacity of "Number One Power", but also to the transformation of the United States into a second-rate power, into a "pitiful, helpless giant"² as the editors of the American magazine *Foreign Policy* put it.

Unexpectedly for themselves, Americans began to realise that the image of their country had lost much of its former attraction, and that the rest of the world by no means considered America an example to be imitated or a model of a future social structure. With the egocentrism, characteristic to the American bourgeois consciousness, the idea was moved that "the decline of America is ... the most urgent problem in the modern world".³

The last fifteen years have shown the vulnerability and dependence of America on the world around her, and also that the Americans are already unable to ignore the world community and the general situation in the world, even when solving domestic problems. If, previously, in debating America's role in the world, the Americans were mainly interested in how quickly other countries would "follow" the United States along the path of economic, technological, social and cultural progress, the question has now arisen for the first time ever of where America herself is headed, and of whether her path does not conflict with global tendencies of world development. Zbigniew Brzezinski's garish declaration of a solitary "America in a hostile world" successfully set the moods, which have now spread.

In this connection the well-known American specialist on international affairs, Thomas L. Hughes noted that "the notion that America is alone in the world ... gnaws at the vitals of American self-respect".⁴ Indeed, perception of the changes which have taken place in the attitude of the world community to America and the "American model" of development could not fail to undermine the bases of Americans' traditional ideas about themselves and their country.

We can say with certainty that it would be difficult

to find another nation in history so inclined to discussions about its historical destiny as America. Ideas about the special influence of America over the fate of the whole world's development, and about the dramatic struggle between "Good", represented by the United States, and "Evil" are characteristic of American ideological tradition. American authors often write that the world is "challenging" America, and that history is forever putting America to the "test", as if checking the ability of the "American model" to cope with all imaginable difficulties and problems.

It is not by accident, then, that the problem of national self-evaluation is so important for the Americans themselves, and remains permanently at the centre of ideological discussions. The question of America's existence in the world is seen as a question of why her existence as a model of social development is of such great value, of what America has brought to the world, and of what she has become for the world.

The very formulation of the question of the existence of a specific "American model" of social development, and repeated attempts by American ideologists to prove and emphasise its difference from, and superiority over all other known models are explained mainly by peculiarities of both past and modern American history. The emergence of American society far from the civilisation of the Old World, the protracted period of territorial expansion, the subsequent unprecedented leap in economic and technological development, and, finally, the extraordinary strengthening in the 1940s and 1950s of the USA's positions in the world which had endured the Second World War—all this gave rise to heated ideological discussions and a political struggle around the issue of the essence of an "American model" of social development.

Discussions concerning the "American model" also exerted much influence on American political vocabulary, giving rise to a whole host of conceptions, such as "American exceptionalism", the "Manifest Destiny" of America, "Pax Americana", the "American century", and others.

Various cultures and ideological traditions differ not only in which social problems they seek to interpret, but also in which parameters they select for the evaluation of society, and in which of their characteristic features they consider significant or inessential in its description.

It is characteristic of people to ponder the structure

of the society in which they live. They try somehow or other to evaluate its past, to understand the present, and to forecast the future. There are key characteristics, which historians, sociologists, and political scientists place at the basis of an examination of social conditions—the forms of ownership, the volume of industrial production, the political system, and many others. And this is where controversy begins. Not so long ago, Western sociologists were constantly recommending going over to comparing societies according to qualitative indices, instead of according to quantitative characteristics such as the level of economic and industrial development. The “quality of life” index has become widespread, which takes into account not only a person’s income, but also how he uses it; it also considers his work, the composition of his family, and his everyday life. Many sociologists in the West now hold that an evaluation of society on the “quality of life” scale is already insufficient. What is important are the opportunities society provides to every person to create his individual lifestyle, reflecting his abilities, talents and aspirations.

At the same time, there are in every society participants in the debates who regard the “quality of life” and lifestyle as secondary characteristics in comparison with the task of achieving harmonious relations between man and nature, or the creation of possibilities for the spiritual self-perfection of the individual. Nevertheless, irrespective of the discrepancies in the interpretation of social development, the various cultures must at the very least try to understand one another and find formulas of translation if they are thinking and talking about the surrounding world “in different languages”, both in the real and the metaphorical sense.

The social philosophy of Marxism, which is a comprehensive explanation of social processes, can make use of the “American model” concept as a working instrument of research. Of course, the conventionality of this concept, which is used to designate the key historical peculiarities of American society, must be acknowledged. This society belongs to the capitalist social system, its main elements being, for example, private ownership of the means of production, exploitation of labour, unequal distribution and wide social polarisation, prevalence of individualist principles in economic and political life over collectivism, and so on. American society and the societies existing, say, in Western Europe, are within one and the same *type* of social system and are evolving under general laws (e. g. recurrent cyclic crises) dictated by the objective

logic of capitalist development.

However, societies of one and the same type are marked with great diversity. In this book we are examining the *American model* whose main capitalist features of socio-economic, political and cultural life are typical precisely of American society.

Analysing the specifics of the economic system and forms of ownership in the United States and examining the characteristics of production, distribution, exchange and consumption as they are in America, all of which are typical of capitalism, we are drawing a picture of the *American economic model*.

American political life differs a good deal from political life in other capitalist states. The differences can be detected in the Constitution of the United States, in its electoral system and in the structure of its political parties. Taken together, they make up the *political model* which is bourgeois by nature and specifically American in form.

A close look at the American economic and political models will enable us to single out the specifics of the development of capitalist society which form the "American model", a model which US ideologists are trying to pass off as the best one in the world today, the one to be copied by developing countries.

Before undertaking an impartial investigation of the "American model" together with the reader, it is exceptionally important for us to explain what Americans themselves understand by the "American model", and how they interpret its significance for the present and the future world.

Of course, various groups and sections of Americans, American scientists and politicians all evaluate the condition and destiny of the "American model" differently in each concrete historical situation. At the same time, we can talk of some predominant stereotypes of mass consciousness, of the evaluations which are most widespread among theoreticians in a given period, and of the predominant notions of politicians of America's actions in the world. Undoubtedly, the self-evaluation of the nation is constantly changing. This is noticed not only by the Americans themselves, but also by detached observers.

A second history builds itself on the very history of the "American model"—a history of the attitude to it of the American nation and of other peoples. It has its turning-points, its ups and downs, and even its crises. The overfalls of the attitude to the "American model" in the world over the last 15 to 20 years have been par-

ticularly great.

American ruling circles sometimes try with all the means at their disposal (political, military and ideological) to spread and uphold the idea of the USA as a state with the most perfect social structure, and in this they enjoy the passive or active support of the majority of ordinary Americans. At other times, without denying the ideas of the superiority of the "American model" in the final analysis, they concentrate on unravelling internal social and economic problems; American activity in the international arena becomes less, academic circles and commentators on current affairs turn to broad discussions of the fate of American society, and a time of reformist reconstruction and renovation of the "American model" begins.

These key turning-points in the development of American society and the evolution of the "American model" are very important. By analysing them, we can try to forecast and scientifically foresee the perspectives for the development of America. The development of American society will undoubtedly influence the future of other societies, and also of the world's development in general. At the same time, the surrounding world, too, essentially influences the evolution of the "American model" of social development.

So, how did the "American model" come into being? Are Americans themselves sure of its superiority over all others? Has it always been considered an example for other countries and societies? And how did the attitude of the Americans themselves and of other peoples to it take shape and change?

A "Divine Mission" or Just "Sentimental Imperialism"?

The first and key peculiarity of the attitude of Americans to the "American model" from its very inception until the present time has always been belief in its *universalism* and in the applicability everywhere of the American experience, and American values and ideals. A similar conviction of their country's significance and the applicability everywhere of her socio-economic, political, cultural and spiritual experience has been inherent in only a few nations and movements in history. The American sociologist Nathan Glazer even takes it on himself to assert that "the United States is thus unique in being able to claim that in speaking of its own national values it does not separate itself from

other nations, other races, other peoples".⁵ And it must be said that this conviction clearly manifested itself in the very earliest stages of American history, when the "puritan experiment" begun by the first settlers on the soil of the new continent seemed to them to be a prologue to a world-wide transfiguration of all mankind and of all the peoples in the world, who, it seemed, would soon have to follow closely after them.

The well-known American historian Henry S. Commager dedicated his article "The Revolution as a World Ideal" to proving that the Founding Fathers were thinking in terms of all humanity when they founded the American state. For example, John Adams said that the American Revolution would spread Liberty and Enlightenment everywhere in the world; Thomas Paine was confident that the Americans had it in their power to begin the world history again; and Thomas Jefferson wrote in a letter to Joseph Priestley that the obligations of Americans were not confined to the limits of their own society and that they themselves considered work on creating a new society on the American continent to be of material importance for all mankind and its future development.⁶

The second historically conditioned peculiarity of Americans' ideas about the significance of their society is their conviction of the *exceptionalism* of American civilisation. The traditional idea of American exceptionalism drew partly on a number of objective factors such as, for example, the geographical remoteness and isolation of the continent, the need to create a new society almost "from scratch", and the basic lack of feudal social relations hindering bourgeois development.

There is nothing surprising in the fact that in their logical development, the universalism and exceptionalism of the "American model" would have to appear as mutually exclusive characteristics. This perfectly real internal contradiction of American consciousness, however, was partly overcome in the idea, which was no less widespread amongst the Pilgrim Fathers, of the *American experiment* as mankind's first (i. e. exceptional) step towards a general (i. e. universal) structure of social life, which all other countries and peoples would soon adopt. From the very beginning, the American historian Robert Nye writes in this connection, it was proposed that America become not just a model, but also a laboratory in which completely new forms of social structure would be put to the test.

Ideas about the experiment gave rise to a form of *paternalism* in the interrelations of American society with

the rest of the world, i.e. an "edifying", "fatherly" attitude to other countries and peoples. In actual fact, once the American experiment was considered a prototype of future world development, America herself was considered responsible for the fate of all mankind. Perhaps she should think not only about maintaining favourable external conditions for American development, but also about reproducing the structure of American society in other countries. In this way, in accordance with these traditional ideas, which have survived to this day, America supposed herself to be "outside" all previous world history and to be blazing a new road to the future of mankind, called upon as a leader to guide all other nations.

In the 19th century Senator for Indiana Albert J. Beveridge, one of the "spiritual fathers" of the ideology of Americanism voiced the paternalistic pretensions of America thus: "He [God] has given us the spirit of progress to overwhelm the forces of reaction throughout the earth. He has made us adepts in government that we may administer government among savage and senile people. ... And of all our race He has marked the American people as His chosen nation to finally lead in the generation of the world. This is the divine mission of America...."⁷

Arthur Schlesinger, a prominent American liberal historian, accurately designated the attempts to foist the "American model" on other nations as "sentimental imperialism". He explains that this means belief that Americans know better what is good for these peoples. This belief, he notes, turned America's relations with the world into a policy of foisting American interests on others.

The Greeks, Romans and Founding Fathers

It would be unfair to deny that Americans' ideas about the forms of their social development lack any *revolutionary nature*. The USA has traditionally claimed itself in American historiography to be a force standing for revolutionary change in the world, and which furthers and stimulates such change. To this day the striving can be clearly traced in official propaganda and in scientific works to present America as a revolutionary force, as the "first new nation" (to use the well-known expression of the American sociologist, Seymour Lipset), which, by its exceptional example, has opened an era of revolutionary change in the whole world.

George Quester, an American specialist in the field of international problems, echoes Lipset: "...For much of

its history, the United States was an example of revolutionary change and, indeed, a supporter of such change."⁸ To illustrate this thesis, the support of the United States for the French Revolution of 1789 is often referred to, as are the struggles of the Latin American colonies for independence from Spain, and of the Greek people for independence from Turkey, as well as several other events, most of which occurred at the end of the 18th and in the first half of the 19th centuries.

Revolutionary rhetoric has until now been a distinguishing feature of the propaganda of the "American model", although in this century, and particularly at present, the revolutionary nature of the "American model" has begun ever more frequently to be pushed into the background by the openly proclaimed aims of maintaining the status quo or tipping the balance of power in the world arena in America's favour.

In the traditional set of ideas about the "American model", it is impossible not to single out assertions connected with the idea of "American superiority". Such assertions were even present in religious sermons about the Americans being a "chosen" people, and were finally consolidated, mostly in the form of a conclusion, in an evaluation of the first successful results of the "American experiment" from the point of view of the settlers.

Thomas Paine, one of the Founding Fathers, wrote in 1756: "I cannot help being sometimes surprised at the complimentary references which I have seen and heard made to ancient histories and transactions.... I have no notion of yielding the palm of the United States to any Grecians or Romans that were ever born. We have equalled the bravest in times of danger, and excelled the wisest in construction of civil governments."⁹

Strictly speaking, the superiority of America over other countries and peoples was presupposed by the development of the very idea of exceptionalism, according to which, as the well-known American sociologist Daniel Bell notes, there is "a special virtue of the American people different from anything known in Europe or even, hitherto, in the history of the world".¹⁰ As early as in the 18th and 19th centuries, European travellers who had visited the New World noted with surprise the arrogance of Americans, bordering on impudence and contempt for everything foreign. As the American historian Daniel Boorstin so aptly put it, when they look at the world, Americans look into a mirror, rather than through a window.

The historian Henry S. Commager writes of the specific idea of superiority, which spread in America and told

on Americans' ideas about their nation and its role in history: "Completely committed to his life in the New World and enraptured with its riches and rewards, the American cherished an uncritical and unquestioning conviction that his was the best of all countries.... The moral superiority of his country was equally axiomatic to the American. The assumption of superiority was accompanied by a sense of destiny and mission."¹¹

It must be said that, although the assertion of the superiority of the "American model" is closely linked with the idea of American exceptionalism, it should not be completely reduced to it. The point is that not only the positive characteristics of a society, but also the negative ones can be exceptional and unique. Moreover, the present-day evolution of the prevailing ideas about the "American model" has led to the origin of ideas whose supporters, whilst continuing to talk of American exceptionalism, mainly have in mind the negative peculiarities of social development, which are solely inherent in America. Given such an interpretation, the maintenance of the idea of the exceptionalism of the "American model" is accompanied by ideologists' denials of claims to its superiority. As Americans themselves complain, other nations today rarely study the American experience in order to copy it, but rather to avoid it.

Throughout American history the idea of exceptionalism has in some cases served as a basis for concluding that America and Americans are a "chosen" country, a "chosen" people having no need of close links with the rest of humanity, which is wallowing in sin. In other cases, the American nation saw its destiny as being to interfere in the course of world events in order to establish everywhere the truth and higher ideals, which had so far only been discovered by her. And it is not altruistic and abstract humanism but economic, political and cultural neocolonialism that is behind the active "American mission".

The involvement of the United States in world affairs grew in proportion to the increase primarily in its economic and military might. At first, American ideologists implied by the "predestination" of America the capturing of North American territories. Amongst the geographical, philosophical, historical, religious and other grounds for American territorial expansion, the thesis of spreading the "principles of democracy and freedom" predominated. Only in the second half of the 19th century, with the broadening scale of geographical and political claims, did pretensions to the creation of a *world empire* under the aegis of America begin to be formulated. The fact

that, towards the end of the 19th century, America held first place in the world in terms of national wealth, national income and the condition of the main branches of industry, served partly as an objective basis of the changover to imperialism and the wish to spread the "American model" and its rule around the world. The entry of the United States onto this stage of its development led to a strengthening of interventionism, which had developed into a policy of imposing the American system on a world scale.

The American claim to strengthen the influence of the "American model" and spread the American system in the world has grown particularly since the Second World War.

The "Golden Age" of America

After the end of the Second World War, the United States found itself in peculiar conditions. During the war, the foundations had been laid for a significant growth in the military might of the USA, which increased in the early post-war years thanks to the American atomic monopoly. The European powers, which had been weakened by the war, faced the necessity of restoring their shattered economies at the same time as the United States was substantially increasing its industrial capacity and experiencing an economic upsurge. Twenty-four thousand million dollars of gold reserves in Fort Knox, credits to many states and the realisation of the Marshall Plan allowed American bankers and monopolies to occupy a dominant position on world markets, exert influence over the economic development of other capitalist powers, and make America the unchallenged leader in the sphere of capitalist production and "world banker".

The objective conditions of the post-war period, which were favourable for the USA, made it possible for many American politicians, representatives of academic circles, and journalists to assert that potentialities had been created for the beginning of the "Golden Age" of America, which they linked with the beginning of the long-promised "American century".

Indeed, against the background of the preceding and subsequent events, the period from the middle of the 1940s to the middle of the 1960s is unique. It was in this period that America succeeded in occupying for the first time ever positions of almost unreserved dominance in the Western world. At this time ideas prevailed in the

USA about the indisputable applicability of the "American model" on a world scale. Such ideas, on the one hand, relied on the traditional ideas of exceptionalism, superiority, and a mission, and, on the other hand, reflected the qualitatively new evaluation of the "American model" of development in the modern world.

In American minds the historical mission of America was becoming ever more tied up with her immediate economic, military and political influence on the world arena. Here the question was of America's having taken the role of world leader, primarily for the "fight against world communism". In an address to the nation on May 25, 1961, President Kennedy said: "These are extraordinary times. We face an extraordinary challenge. But our strength as well as our convictions have imposed upon this Nation the role of leader in freedom's cause."¹²

Here, "freedom" was given a very distinct interpretation: at the beginning of the 1950s, the doctrine of "liberating" the countries of Eastern Europe was advanced in the USA. This suggested forcible interference in the affairs of the states of this region and the liquidation there of the socialist system by means of interference from without.

The globalist ideas of the times of the cold war in no way conformed to the traditional "revolutionary nature" of the "American model". During the cold war the USA supported a number of reactionary dictatorial regimes. As Americans themselves attest, like the liberal historian L. Fitzsimons in her book *Kennedy Doctrine*, America became the "most counter-revolutionary force" in the world in the 1950s.

From the point of view of American ruling circles, the creation of an "anti-communist counter-empire", as the American historian and journalist Ronald Steel nicknamed it in his book *Pax Americana*, was an ideal of world structure. The "American century", which was proclaimed as early as in 1941 by Henry Luse, the editor-in-chief of *Life* magazine, was called upon to become the predominant form of world structure for many years to come. Various parallels drawn between the great Roman Empire and today's United States are characteristic of the ideological and psychological atmosphere of those years, which were full of optimism in the USA.

It was precisely in this period that the "black and white" view of the world became particularly characteristic of American ideologists, when it was perceived as an arena of titanic struggle between two mutually exceptional principles—between "Good" and "Evil", the "divine" and the

"satanic", the "progressive" and the "reactionary", and so on. And, if the first pole of "Good" in the world practically always remains unchangeable—this, of course, is America—then the "brutal Indians", the transoceanic monarchies, the "Third World", and "world communism" take turns as the embodiment of "world Evil". The American researcher Robert Hofstadter characterises this feature of American self-consciousness as "paranoid style", which consists in the charging up of artificial fears concerning the intentions of the foe, and in suspiciousness and fantasies of a plot against America. Here the whole world has been led to formulas of the "completely truthful against the completely erroneous", of "Good against Evil", and of "light against darkness". There is no in-between. Such peculiarities of the American character as conformism and individualism have been reduced by such an approach to the absurd and are degenerating into nationalism and a "conspiracy complex".

However, the promised "American century" or, more precisely, the hopes for its establishment only held out for two decades: towards the end of the 1960s, conditions arose both within American society and in the world arena, which in many ways hindered the imposition of the "American model" on other peoples. In these conditions many Americans reviewed their attitude to the role of the USA in the world.

The Fall of the "American Model"

Summing up the results of the 1970s in an article entitled "The Seventies, Ten Years That Shook America ... and Now, the Eighties", *Newsweek* magazine characterised the cardinal changes in America's position and influence in the world thus: "It was a time of diminution, marking the end of the nations' unquestioned dominance in the world. America lost a war for the first time, weathered the disgrace and resignation of a President, watched helplessly as inflation eroded its dollar and the oil cartel held the world to ransom. And the United States discovered the limits of its power..."¹³

Which fundamental changes, then, did the 1970s bring, from the point of view of the development of the "American model" and of the attitude to it in the USA itself and in the rest of the world?

Above all, there was a general change in the correlation of forces on the international arena, and approximate military parity between the USSR and the USA was es-

tablished. There was also a significant strengthening of the economic and political positions of the developed capitalist countries of Western Europe and Japan, and of individual developing countries. The formerly steady position of the American dollar on the world currency market was badly undermined in the 1970s, and competition between the West European and Japanese monopolies, on the one hand, and the American monopolies, on the other, became much keener.

In the 1970s, the developed capitalist countries—allies of the USA—began to show greater independence from the “senior partner”—the United States—and a striving to break free from the excessive interference in their affairs of their transoceanic partner. All this served as a basis for discussions on both sides of the Atlantic about the “crisis of Western solidarity”.

Finally, in this period, the developing countries dealt a series of appreciable blows to the international positions and prestige of America. The “oil embargo” of 1973, the comprehensive increase in the price of oil by the OPEC countries, the developing countries’ persistent demands for a “new international economic order”, the anti-imperialist revolution in Iran and the deportation from that country of Americans, and many other events led to a situation, which journalists characterised as the “impotence of power” (of the United States) and the “power of impotence” (the former impotence of small developing and semi-developed countries in the face of the USA).

At the same time, beginning with the end of the 1960s and, particularly, in the first half of the 1970s, many phenomena complicated the economic and socio-political situation in the USA itself. Many neglected problems of American society were aggravated, and there was a sharp increase in mass protests in the country. The indignance of the working movement grew, the politicisation of strikes gathered strength, and the radicalist youth movement achieved an unprecedented scale: in 1970 alone, 80 universities and colleges were temporarily closed in connection with disorders, and there were around 1,000 student demonstrations. Powerful racial unrest also thundered across the country.

The serious worsening of the economic position of the USA had a great impact on public opinion, and on Americans’ own evaluations of the potentialities of the “American model”: the crisis of 1974-1975 proved to be the deepest since the times of the Great Depression and directly affected almost every American.

The social and psychological consequences of the tragic

Vietnam war also added to disappointment with the "American model". The majority of Americans were psychologically ready for some sort of revision of their attitude to their own country and society, and for the reconciliation to a more modest role and influence in the world for the USA. In the 1970s, at least in the first half of the decade, a significant part of Americans replied negatively to the question of whether the "American model" should be adopted on a global scale.

Is America an "Ordinary Country"?

In 1902, Brooks Adams declared in his book *New Empire* that he could identify the beginning of American domination as the centre of a future empire.

Daniel Bell, George F. Kennan and many other American theoreticians, politicians and journalists of both liberal and conservative persuasion announced in the first half of the 1970s that the age of the American empire was passing by, that "the end of American exceptionalism" was beginning (Daniel Bell also gave his sensational article this title), and that the nation was losing faith that it had some special predestiny in history.

In an interview with *Encounter* magazine in 1976, George Kennan, a historian, well-known diplomat and former American ambassador to the USSR said: "I am an American and, like all of us, and especially all of us who were born at the time I was born and brought up—before World War I—I grew up with a certain faith in American civilisation and a certain belief that the American experiment was a positive development in the history of mankind.... I now see all these assumptions crashing to pieces around us. I do not think that the United States civilisation of these last 40-50 years is a successful civilisation; I do not think that our political system is adequate to the needs of the age into which we are now moving; I think this country is destined to succumb to failures which cannot be other than tragic and enormous in their scope."¹⁴

Similar opinions, which partly remain even today, spread widely in the USA in the first half and middle of the 1970s. They appeared as a reaction to processes which materially influenced the attitude to the "American model" in the USA and over the world, as the beginning of American military and economic vulnerability (as a result of America's loss of nuclear superiority, of the attachment of the American economy to external sources of raw ma-

terials and sellers' markets, and also of the penetration of the American market by West European and Japanese competitors), the loss of stability of economic growth, and the drop in America's prestige and former diplomatic influence on the international arena. The attitude to the potentialities and reserves of American society changed because of internal socio-political instability appearing in the USA and Watergate and other political scandals which revealed the corruption within the American government and at the highest levels of the social pyramid to Americans and the rest of the world. The realisation that America had not succeeded in remaining above political corruption and the internal social split urged a revision of the ideas of the exceptionalism of the "American model", and undermined the faith of Americans themselves and of other peoples in the rightness and success of the "American experiment".

Voices began to be heard ever more frequently in the USA calling for a recognition of the fact that America was a country undefended from crises and failures, limited in its potentialities like all other societies, and which, until now, had been living "beyond its means". It is now high time for America to recognise—for her own good—that she is an ordinary society amongst other societies, that she is a society which has been drawn into the system of worldwide mutual links and interdependence. She will also be able to resolve her own problems much more effectively if she rejects her unjustifiably high pretensions and attempts to conduct herself as though the "American model" does not know problems, crises or failures.

The subject of the "fall" of America and of the until now unsatisfactory functioning of the "American model" was a key point in ideological discussions underway in the USA in the 1970s and at the beginning of the 1980s. The majority of the participants in the discussions took this "fall" very much to heart, and regarded it as a most serious problem, or, more precisely, as a knot of problems.

The "Decline of American Power"

"For the first time in its history, the United States is no longer growing in power and influence among the nations of the world. In fact, the United States is now in steep decline... By almost any standards, the country is entering the decade of the 1980s as a wounded, demoralized colossus, faltering in its stride on the international political arena,"¹⁵ a large group of American specialists

in the field of economic and political sciences (the Boston Research Group) dolefully ascertained on the threshold of the decade in a fundamental work (*The Decline of U.S. Power*) which became widely known.

James Chase echoes the conclusion of the Boston researchers in his own way in his book *Solvency. The Price of Survival*, which analyses the signs of the "fall of America" in the 1970s and 1980s: "We Americans," he says, "are beset by a double image of ourselves: as both powerful and inadequate. Yet it is more than an image. It is true. We are powerful beyond the measure of any other nation in history and, as time passes, we are becoming more ordinary, more like the others."¹⁶

For many Americans the numerous and appreciable hiccoughs in the working of the "American economic model" became a source of particular worry, since throughout the post-war period right up to the beginning of the 1970s, the comparatively stable and rapid growth of the American economy served as a basis for hopes of a long "golden age". There was a significant slowing of the rates of growth of the economy and of labour productivity in the USA, and a fall in the competitiveness of the USA on world markets, as well as in its share of world exports. In terms of per capita income, the USA fell behind such countries as Switzerland, Sweden and West Germany, not to mention a number of oil-producing countries. According to a public opinion poll taken in 1980, 90 per cent of Americans questioned thought that the country was moving in the wrong direction in its economic development.

Representatives of the business world themselves sounded the alarm concerning not only the temporary consequences of the state of the market, but also the serious political and social aftermath of the economic difficulties of the "American model". For instance, in 1979 Otto Schöper, one of the directors of the Chase Manhattan Bank, the largest in America, told his business colleagues that having travelled around the world, he was convinced that the prestige of the United States of America was everywhere under doubt and that American banks were no longer dominant in the sphere in which they previously exercised dominion.

During the discussions a broad parallel began to be drawn between the fates of the British Empire and the present condition of "Pax Americana". But if, in its time, such a historical analogy was used as a basis for claims, and examples of imperial politics and rhetoric to be followed were taken from the chronicles of the Roman and

British empires, then this parallel has now acquired a different shade. The collapse of the British Empire, the stagnation of Britain's economy, and the drop in the international role of sterling in the 1930s all began to be seen as a model of the end of a nation's domination in the world. The USA is repeating this model in full in the 1970s and 1980s.

Many years ago the philosopher George Santayana remarked that he who does not know the past is destined to live it anew. Of course, he did not mean that history would repeat itself in exactly the same forms, in the way a chemical experiment can be repeated, for, with the passage of time, people, places and events alter their characteristics. He meant that a person with no understanding of past mistakes and upheavals would hardly learn to avoid troubles in the future.

Historians have for a long time unsuccessfully been drawing the attention of the "captains" of American society to the fact that the USA is falling ill with its own form of "English disease" almost one hundred years after Great Britain began to lose its fame as the "workshop of the world". In the middle of the 19th century, Britain produced half of world industrial output. By 1870 her share had fallen to 32 per cent, and by 1910 to just 15 per cent.

After 1945, America accounted for half of all Western industrial production. This figure is now around 30 per cent, and, according to experts, it will fall to 15-20 per cent by the end of the century. It is not without malice towards American politicians that the British historian Paul Kennedy notes in his article "A Historian of Imperial Decline Looks at America": "It was this erosion of an industrial lead that was the long-term cause of the end of the 'Pax Britannica', just as it is the poor U.S. economic performance in the past two decades that ultimately explains the eclipse of the 'Pax Americana'. Military might and global influence always need to rest upon strong economic foundations. When the latter weaken, so, too, does one's real power in the world."¹⁷

However, the question is not only one of a relative economic weakening. Many Americans who have come to alarming conclusions that contradict stereotypes of "American exceptionalism" believe that the complex nature of the weakening of America's positions among other modern societies is a highly dangerous symptom. The Boston Research Group points out that the erosion of American power is not only temporarily to be seen in the economic, financial, political, military and other fields,

but that it also in many ways gathers strength through their mutual links. Apart from that, the complex nature of the decline of American power has one more important aspect, namely, the interrelationship of crisis phenomena in the internal position of American society and its position in the outside world.

Stanley Hoffman, a representative of the highest political and academic elite of America, makes the diagnosis that America is sick. "There is," he says, "an American sickness. What is striking are the similarities between its domestic and its foreign policy manifestations. Both show, in the first place, a divorce between Americans and their environment.... At home and abroad America meets the crisis."¹⁸

Above all, the diagnosis of "American sickness" consists in the discovery of the *limits of America's potentialities*, both the potentialities of the American system to satisfy the economic and political needs of the most varied groups of Americans within the country, and this system's possibilities for economic, political, social and ideological influence in the world.

The second "virus" of the "American sickness" is the loss of the *confidence and respect* of ordinary Americans for official America and her basic political and, partly, economic institutions, as well as the loss of the confidence and respect of other countries for America on the international arena. During the Vietnam war, many Americans began to question Washington's unattractive activities, and came out against the White House's support for the most reactionary regimes in developing countries. The attitude that "America seems to be a force of evil on the international arena, so America is an evil by itself"¹⁹ also became widespread in American public opinion.

Do Americans Believe in "Americanism"?

So, the erosion of many Americans' ideas of the "exceptionalism" of the "American model" increased in the 1970s. What conclusions were drawn from this? Above all, doubt in the uniqueness and superiority of the "American model" signified a recognition of the fact that different countries may follow different models of development, and that pluralism is possible, i.e. the simultaneous existence of competing models.

Doubt in the unique predestiny of America led to a recognition of the existence of other centres of power

and influence in the world arena. For one section of Americans who were convinced of the relative weakening of American influence, the recognition of such pluralism appears as an undesirable, but inevitable step, necessitated by a realistic perception of the changes going on in the world. The well-known American political scientist Bayles Manning ascertains with bitterness: "As to the items on tomorrow's international agenda, the United States cannot obtain what it will by simply expressing that will... In negotiations, one must often make difficult trade-offs, settle for half a loaf, or even make do with damage limitation. The American people have not been conditioned by history to that kind of foreign policy."²⁰

But, at the same time, pluralism emerged more than once in the framework of American political and ideological tradition as an important principle of political, economic and spiritual relations, and as the basis of democracy and individual freedom. By virtue of this and as a counter-balance to the stereotypes of "American exceptionalism" and the scornful attitude to other cultures and peoples, some realistically thinking Americans emphasised that it was time broadly to recognise the right of other countries and societies to have their own social values and goals of development, which may differ from those of America. A number of American politicians came out, more or less consistently, against foisting American recipes for solving problems and American policy onto developing countries. Former US State Department adviser H. Sonnenfeldt's call to give new meaning to the role of the USA in the rapidly changing modern world can serve as an example. The ex-government expert believes that the loss by the United States of control over events in Iran showed that the USA is unable to influence the ultimate aims of young countries' development nor to guarantee liberal political orders and prosperity in them.

Doubt that the United States has some particular role and mission in the modern world, and, moreover, a mission to lead other countries, and scepticism concerning the traditional stereotypes of "exceptionalism" and "superiority" of the "American model" became widespread in the 1970s not only among liberal researchers or politicians, but also among ordinary Americans.

In an issue of *Public Opinion* magazine dedicated to the American bicentenary, Senator Daniel Moynihan pointed out: "No one thing in the American civic culture has declined more in recent decades than the symbols of love of the country and pride in the nation."

From the pages of the same magazine, the political

scientist Daniel Bell enquired: "Do most Americans today believe in 'Americanism'? Do people identify achievements and equality with pride in nation, or patriotism?" He said it was an 'open question'."²¹

According to surveys of public opinion, 57 per cent of ordinary Americans and 47 per cent of political leaders thought in 1978 that respect for the USA in the world had significantly declined over the preceding ten years. In the 1970s a wide response was received in the USA by the books *The Broken Image. Foreign Critique of America* and *How Others Report Us: America in the Mirror of Foreign Press*, as well as by the results of public opinion surveys in various countries, which concerned America and the "American model". From these results it followed that since the end of the 1960s, from the point of view of public opinion in capitalist and developing countries, the "image" of the USA had seriously worsened, which, in its turn, entailed a lowering of American national self-evaluation.

When they become really widespread, mass moods can always be traced in fiction and in art. Reconsideration of the key connecting idea of American self-consciousness, i.e. of the idea of the "exceptionalism" and "superiority" of the American path of development could not but find literary reflection. A characteristic example was Gore Vidal's 1974 book *Burr*, which became a bestseller and was in keeping with the new peculiarities of the spiritual and psychological atmosphere in the country. In the artistic form of a narrative about the fate of Vice-President Burr and his henchmen, Vidal accomplished a revision of the painted images of the Founding Fathers, who over the course of two centuries had gone down in mythology, and their ideas of a new path of social development. In his book (possibly, as often happens in polemics, with a little juggling of the facts), the universalist claims of the creators of American society are dethroned, as are the stereotypes of exceptionalism and revolutionism, which are characteristic of early American history and modern political rhetoric.

At the same time, from the middle of the 1970s until the present, the dethronement and criticism of the "American model" has been meeting serious opposition. As often happens in history, the broad criticism of the "American model" gave rise to an apologetic "criticism of criticism". A bright example of this is the book *The Real America* by the conservative American historian Ben Wattenberg, which was widely distributed by government information organs for propaganda purposes on the eve

of the American bicentenary. Wattenberg maintained that the "complex of the failure and guilt of America" had become unusually widespread in the nation's consciousness and in the ideas of other peoples. He gathered from Americans an enormous number of testimonies of moral disappointment and discontent with the structure of their own society, and with its actions in the outside world. Summing them up, he wrote that ever more often people were coming to the opinion that "America was overextended, arrogant, imperialistic, immoral and, ultimately, genocidal, hooked on being the world's policeman," and also that "America's role in the world was clearly seminal issue in the last dozen-or-so years and it was issue that surely helped galvanize the Failure and Guilt Complex."²²

Having set himself the aim of proving the groundlessness of such opinions, Wattenberg used much public opinion poll material to try and demonstrate that the "decadent" moods did not rest on any real foundations or reflect any objective "decline" of America, but were factors of an exclusively social and psychological nature. Of course, he recognises that the realities of recent years facilitated the spreading of such moods, but did not constitute their basis. The whole point is that many realities are incorrectly interpreted and tied up in the consciousness of Americans with an artificially inculcated thesis of the decline and retreat of America, while their actual causes can in no way be rooted in the specifics of the "American model", which is fine *per se*, or in the specifics of American policy in the world. If things were like this, then why, Wattenberg asks, do similar moods of disappointment and failure also spread in the countries of Western Europe—countries which did not take part in the Vietnam war?

Wattenberg also believes it very important that the feeling of failure and crisis is linked by Americans with the position of the country and of society as a whole, while the majority of Americans evaluated their personal position and the state of their affairs in the first half of the 1970s as normal.

As Wattenberg and other conservative ideologists believe, these and other peculiarities of social temper show that the moods of self-reproach and criticism of the "American model" are not a truly vital conviction of the majority of Americans and do not represent a conscious ideological position, but are taken up by ordinary Americans as a current stereotype, a phenomenon of fashion, to which public opinion is also susceptible. Such a trend to criticism was created by journalists and writers of li-

beral persuasion, the "mud rakers".

The conservatives' thesis of the superficial and "accidental" nature of the ideas dethroning America as a country exceptional in its purity and having a special global destiny to "instruct" other nations is unable to explain the origin of such moods.

There is a certain amount of truth in this, although it must not be exaggerated. In conditions when some groupings of American ruling circles had already lost interest in continuing the Vietnamese venture and others were engaged in political infighting aimed at forcing President Nixon to resign by fanning the Watergate crisis, both roused the feeling of enmity towards the former policy of America to some extent, and used it in their own interests.

At the same time, many Americans who had realistically evaluated the position of American society could not but take into account both the absence in America of unlimited, or just her former potentialities of influencing world affairs, and also the retention by that power of far from ordinary position in the existing military-strategic balance, the world economy, scientific and technological development, and other fields. The opinion became widespread that America had lost all hope of absolute *leadership* in the world, but that she should not decline an *active role*. But what should this new role of America and the "American model" be?

In the 1970s and 1980s concepts demanding a change in the relations between America and the world community began to be spread, mostly by liberal scientists and politicians. The formulas they offered were an attempt to substitute the notion that the existing world order is a complex interlacing of the interests of many sovereign states which should jointly solve common global problems facing them for the striving to unquestioned superiority in the balance of strength, that is, to power politics.

While advancing truly democratic demands for restructuring international relations with due account of the interests of the popular masses in both industrialised and developing countries, the bourgeois-liberal approach displayed reformist wariness and preferred not to notice the basic social difference between the socialist and the capitalist states. The restructuring of relations within the world community is expected to begin as a result of "enlightenment" changes in the subjective intentions of politicians and governments for whom it would be enough to become aware that they are part of the global "brotherhood". In these liberal concepts no mention is made of the deep

social roots of the imperialist ambitions of countries like the United States and the objective interests of the ruling circles opposed to the United States' "willingly" renouncing its global strategy without changing the alignment of forces in American society and the nature of that society.

Liberal critics noted that "imperial" methods in relations with other nations undermined democracy within the USA itself, and instilled stereotypes of a scornful attitude to other nations in the minds of Americans, which damaged the ideals of democracy and political equality. It was also pointed out that economic enslavement and political diktat with respect to developing countries, and support for a number of openly dictatorial and bloodthirsty regimes in an attempt to keep them within the orbit of "imperial" influence hamper democratisation, liberalisation of the political regime, and the observance of human rights in American "satellite" developing countries. Meanwhile, important American foreign policy goals consist in the safeguarding of precisely such a democratisation and observance of human rights, although, it is true, these have only been declared verbally.

Fred Warner Neal, an American specialist in the field of political sciences, a social figure and journalist, pointedly and polemically formulated this contradiction: "Can the American democratic system long be maintained in a Cold War atmosphere where the prevailing mood is to justify anything in the name of national security? In short, can the United States do the things our adversaries do without jeopardizing the very values we are struggling to preserve?"²³

In Search of New Forms of Leadership

As we have ascertained, recognition of the relative weakening of America's economic, political, and other positions at the beginning of the 1970s by no means ousted from the minds of Americans ideas of the exceptional strength and vitality of the American system and its ability to adapt and develop rapidly, which, ostensibly, guarantees it permanent superiority over other societies and a leading role on the world arena. This recognition arose side by side with like notions, gathering strength in the sharp conflict of ideas.

In this conflict, those Americans, who apologetically continued to defend the almost unchanged ideas, characteristic of the cold war period, of the role of the "American model" were not alone in favouring an active world role

for America. New, untraditional substantiations of the role of American society and of the United States as a power in the modern world also gained influence. Supporters of the new substantiation of the advantages of the "American model" recognised the real weakening of the USA in the economic, military, political, diplomatic, and other spheres, which have in recent decades been traditional spheres of American might and influence. However, as a reaction to this weakening, it was not acceptance that was suggested, but an active search for *new dimensions* of American might and influence, and for new problems, in the solution of which the United States would be able to play a leading role and thus assume leadership in the world community.

Various new ways of establishing "American leadership" were also suggested. Some put their trust in the special role of America in the settlement of the so-called contemporary global problems which have been facing mankind with particular acuteness since the 1960s. Others hoped that the high rates of scientific and technical development would allow the United States to become a "pioneer" in introducing advanced technology on a global scale, and some called for the construction of a "post-industrial", "technetronic" society under the prevalent leadership of the USA, while yet others hoped to safeguard America's leading role in the perfection of political and personal relations, the spreading of the ideals and mechanisms of liberal democracy, and the defence of the abstractly formulated "human rights" on a worldwide scale.

The advocates of "American leadership" set the task (especially at the turn of the 1970s) of reviving the lost faith of Americans and of other peoples that the American experience was of more than national significance, of restoring the traditional principles of universalism, exceptionalism and the experimental significance of the "American model", of formulating these latter in new terminology, and of adapting them to the new conditions.

The proponents of "American leadership" also began to pay particular attention to backing up the suitability of the "American model" for other societies. This was brought about, firstly by the fact that right up to the beginning of the 20th century, it was the question, more often than not, of the suitability of the "American model" for other societies *in principle*, on the level of an abstract declaration, but nowadays the problem has turned into *practical* attempts to foist American recipes on other societies and states on a global scale. Secondly, it was necessary to look for a new substantiation of the except-

ional and, at the same time, universal significance of the American experience, because in the 1970s and 1980s opposition suddenly grew in many countries to American recipes of social development and policy, and anti-American feeling became widespread in the world, particularly in developing countries.

New substantiations of the superiority of the "American model" were already heard within the framework of the "post-industrial" society, and were very popular in the West at the end of the 1960s and in the first half of the 1970s. American theoreticians and ideologists were the authors of most theories of "post-industrialism", and almost all of them pointed to the contemporary United States as an object of their research, as a "working model" of a type of society they had discovered. In the works of Daniel Bell, Alvin Toffler and other "post-industrialists", American society is represented as the first society to have entered a new era during the course of its development, to which, in time, other countries will also come. A high level of technological development and consumption, the transfer of actual power in society to the "technocratic" strata, the "de-ideologisation", and the "rational co-ordination" of the interests of various social groups are all characteristic features of this new stage of social evolution.

Since the majority of "post-industrial" theoreticians believe that other countries do not yet embody all these characteristics in their development, and that many, above all, Third World countries will never become "post-industrial" societies, the question is one of confirming the particular form of American exceptionalism in the modern world. At the same time, it is proposed that, as the internal logic of development takes the "industrialised" countries along the path which America has already trodden, the latter's role of a model, an "exhibit" of a new type of society, and also of an instructor and assistant to other countries in creating this society is confirmed.

Important social changes are behind the theoretical constructions of the "post-industrialists"; we shall analyse these later. In the era of the scientific and technological revolution, the question of national might is seen in a different way and that of this or that society's contribution to scientific, technical, and technological development is becoming an important dimension of its role in history and in the world community.

Reflecting this fact, a group of American experts noted in a report to the American Congress: "Technology is perhaps the most powerful of all forces for change in the

modern world. *It measures the qualification of nations for leadership in the community of nations.* It affords means for the achievement of a nation's domestic and foreign goals. It is a principal substance of modern diplomacy. A nation's diplomatic voice is often heard in proportion to the nation's excellence in science and technology, and in its competence to use this excellence for national and international purposes."²⁴

The American writer Robert Gilpin develops this idea in his own way: "No prior civilization or empire has been so closely identified with research-and-development as has the American. The influence and inspiration that we have radiated throughout the world have been largely technological and have demonstrated what machines can do to make men free and prosperous."²⁵

In the middle of the 1970s the concepts of "technological leadership" and "technological superiority" began to crop up ever more often during discussions about the "American model", and the concept of a "Soviet technological threat" was brought into general use. By this they meant the possibility of the USSR gaining a noticeable advantage in the field of scientific and technical development (including military technology), which could become an implement of political, military and ideological influence. As an example of this, the influence on the prestige and predominance of the USSR and the USA was cited of the launching of the first man-made satellite by the USSR in 1957.

It is precisely the United States' strong position in the field of scientific and technical development and the dissemination of advanced technology, which remained quite significant in spite of a certain weakening of American positions in a number of other areas, which is seen by many American ideologists as one of the main resources for restoring the shaken prestige of the USA in the world, particularly in developing countries. In reply to the suggestion put forward by these countries to establish a new international economic order, the USA hurried to set its conditions for a renovation of relations within the framework of the world community. At the 31st session of the UN General Assembly in 1976, the American delegation declared: "The United States, conscious of its pioneering role in technology, has put forward three basic principles, which we will support with funds and talent:

"To train individuals who can identify, select, and manage the future technology of the developing world;

"To build both national and international institutions to create indigenous technology, as well as adapt foreign

designs and inventions; and

"To spur the private sector to make its maximum contribution to the development and transfer of technological progress."²⁶

Such formulae betrayed the misgivings of American ruling circles of completely losing control over the processes of socio-economic development in a number of developing countries, and indicated the striving to make much more active use of the scientific and technical sphere than before to "tie" developing states to the USA, and to advertise the American capitalist system.

The "Social Laboratory"

The opinions of such a well-known figure on the political and ideological scene as Zbigniew Brzezinski, a Columbia University professor and assistant to President Carter for national security affairs were a typical and, at the same time, very full and well-elaborated embodiment of the new ideas of the superiority and universality of the "American model". We would like to dwell on Brzezinski's theoretical constructions in more detail, since he exerted significant influence over the formation and practical implementation of American strategy in the world arena in the second half of the 1970s, and many states, particularly developing ones, underwent his "tutelage". Here we should point out that his opinions concerning the role of the "American model" changed materially towards the beginning of the 1980s: he began to appeal more and more determinedly for the use of force in relations with other peoples and states.

In his book *Between Two Ages. America's Role in the Technetronic Era*, which has become well-known both in America and in other countries, Brzezinski develops his own version of "post-industrialism" and emphasises that enormous changes have recently occurred in the world. The "old" phenomena of political power, military force, and state structure are now exerting less influence over the processes which are going on in the world than the "new" ones, such as the development and dissemination of ultra-modern technics and technology, new mass media, almighty transnational corporations, the political and ideological pluralisation of the world, and global problems. We should bear in mind, Brzezinski wrote, that the world today is a world of more than 150 sovereign states, whose interests and aspirations America must not ignore. It is also a world of more stable transnational links and

structures, the influence of which America cannot escape. As a result, America must adapt herself in a "hostile world", with which she clashed because of her own reluctance to renounce the old military, economic and other traditional ways of exerting pressure on other countries and to keep pace with the "technetronic" changes in the parameters of might and influence in the modern world.

Brzezinski believed that, in solving her internal problems, America was the most advanced and modern society. She remained "retrograde" in her relations with the outside world, trying to hold up changes in other parts of the world similar to ones which had already occurred within her own frontiers. Brzezinski emphasises: "America's relationship with the world must reflect American domestic values and preoccupations. A profound discrepancy between the external conduct of a democratic society and its internal norms is no longer possible."

However, as it is easy to note, such a position does not only suggest a renunciation of some of the outmoded forms of influence over the world, but also a search for new forms in which "American values" and "norms" could be projected and secured outside. Brzezinski suggests that changes should not be impeded, but that millions of people the world over should be convinced that America is the most dynamic society, which has gone further in its development than any other, and that it is precisely she who will point out the best way and concrete directions of social and any other changes to all peoples and countries.

Here, such a peculiarity of the traditional ideas of the "American model" arises as the rhetoric of revolution, innovation, and radical change. "The third American revolution," Brzezinski writes, thinking of society entering the "technetronic era" which he proclaimed, "occurring in an era of volatile beliefs and of rapidly spreading technological change, thus clearly dictates America's role: that of the social innovator..."²⁷ a "social laboratory" for the whole world.

According to similar ideas, the necessity for and even inevitability of American leadership in the world is based on the premise that there are no closed societies today, but that the scientific and technological revolution, global problems, and the omnipresent mass media have led to a situation where the tasks, problems, and difficulties facing every society are roughly identical. They are spread from one element of the complex world system to another, and from society to society, irrespective of national boundaries. Becoming leader in the settlement of such tasks and

problems is today the only way to prove the superiority of any social model. It was precisely this that Brzezinski and his confederates suggested, in order to try and regain all the influence in the world community that had been lost and establish faith (both among Americans and in the world as a whole) in the effectiveness of the American capitalist model. Once he had been at the helm of American society for a little while, it was this very path that he renounced in favour of Washington exerting pressure on its enemies and allies. And what was this—a recognition that America was not capable, under intense scrutiny of her practical possibilities, of proposing ways of solving not only world problems, but also her own?

To all intents and purposes, the new global designs, similar to those Brzezinski invented, arose from clashes, on the one hand, of the objective weakening of America's former might and influence in the world and, on the other, of America's subjective aspiration to an active role, high prestige and leadership in a number of societies. The point is that since the second half of the 1970s, the factors which used to facilitate the temporary acceptance by many Americans of the comparative "retreat" or "weakening" of America have already ceased to influence ideological and psychological atmosphere in the USA. As soon as Vietnam and the flood of domestic social protest movements, the Watergate crisis and the most severe economic slump of 1974-1975 were left behind, a striving to see their society as strong, respected by other peoples, and leading even in the new, changed conditions as before began to revive quickly in the minds of the American nation.

According to public opinion polls, by 1976, after a significant fall, the number of Americans who thought that American society had been assigned a special mission which it was to fulfil in the world once again approached 80 per cent. Americans began to interpret the fall in respect for America and the "American model" in an ever more pathetic way. For fifteen years William Watts and Lloyd Free, recognised authorities on research into public opinion, carried out broad annual surveys in the USA of how Americans understood the goals of their society. These surveys show that the goal of "maintaining respect for the USA" in other countries, was, in the middle of the 1960s, of the least significance for ordinary Americans (it was placed last in a list, because those questioned were sure that such respect did exist). Towards the end of the 1970s, the Americans questioned thought this goal more important than that of "containing communism" which had been formulated by propaganda.

Searches for new, untraditional dimensions of leadership reflect the peculiarities of the contemporary stage of world development. But for Brzezinski and his ilk, such searches were not so much the result of meditation over the essence of the modern epoch as a contradictory attempt to satisfy the aspiration to a new American self-assertion in conditions when the image of America and the traditional recipes of leadership continued to be plunged into a crisis in the eyes of the whole world. According to public opinion polls, searches for untraditional forms of leadership were regarded by many Americans as a necessary measure in a period when, as it were, a "regrouping of forces" was going on for a new attack assumed along traditional lines.

Many observers began to talk of how, in the second half of the 1970s, America began to "overcome her indecision" and to "concentrate" her "will" on actions after a period of doubt, which, it should be said, was completely justified, concerning the "American model". The period of serious doubt in the rightness of their own course and even some "self-reproach" in the post-Vietnam years, gave rise to many Americans' striving to national self-assertion. Daniel Yankelovich, the well-known researcher into public opinion, writes about this: "Americans can tolerate a conception of themselves as good people who stumble on occasion; we cannot tolerate an image of ourselves as an immoral people motivated by bad faith."²⁸

Such an aspiration to a new American self-assertion was finally formulated towards the beginning of the 1980s. Forces were found in American ruling circles who declared they knew how to fill in the "cracks" in the "American model" and thought that now was the best time to do this. These forces were made up of a bloc of conservative politicians and ideologists who had gained considerable influence in the USA at the turn of the 1980s and advanced a leading conservative, Ronald Reagan, as President of the United States.

"Fortress America" Assumes the Offensive

When he became President of the USA in 1981, Ronald Reagan declared that he wanted to restore America's role as leader of the free world. Along with his ideological entourage he loudly proclaimed his task as being to bring new forces into the American system, to increase its competitiveness and attraction, and to return to America the position of "natural leader" of the capitalist world. A "think tank"

of conservatives explains: "Administration policy makers acknowledge the relative decline of U.S. power, but intend to reverse it.... They reassert the unique global nature of U.S. interests and the crucial U.S. role in the international economic order as justifications for American primacy."²⁹

Reagan called the widespread opinion that America has nothing to teach the world "defeatist" and, having "morally rearmed", called for the ideas of Americanism to be inexorably exported and established everywhere.

Ignoring the appeal to morality, ideological and moralistic means, from the point of view of American conservatives in general, and of Ronald Reagan in particular, play a subordinate role. The conservative "think tank" further explains that Ronald Reagan is convinced that force is the only instrument which can be used so that the country can influence processes in the world arena in such a way that its influence corresponds both to its moral principles and its interests.

Contemporary opinions in the USA as to the condition and perspectives of the "American model" are formed under the strong influence of American conservatism, and, in their own way, have a consistent internal logic, the logic which reflects individualistic conservative ideas of the motive forces of social development.

Just as, in the opinion of present-day American conservatives, every person must draw on his own strength, enterprise and initiative on the individual level, and not rely on help from the state, public organisations or society as a whole, so, too, must countries in the world arena, and above all America herself, draw on their own forces and open up their domestic reserves to provide for themselves, and not rely on the global system or ask for aid from the international community, as, for example, some developing countries do.

The principles of classical competition, where everyone is "for himself" and where only actual force is taken into account, and not intentions and words, are said to be the main approach to an evaluation of social systems. Thanks to this, and also bearing in mind the experience of the 1960s and 1970s, conservatives believe that America will not secure success in foisting recipes, promising that unreserved economic "affluence" and political harmony which it itself failed to achieve, and which allegedly can be achieved on a capitalist basis. They believe that the "American model" must, above all, work in America and give impressive results—then it will be possible to influence the world with a positive example of the highest economic effectiveness and rates of development, to become a model

country, a guiding society providing people with the most favourable living conditions in all respects. This, however, is just not to be seen as yet, and a lot of work needs to be done to restore order in the "American model", which has fallen into "decline".

Hoping to "reveal the internal forces" of the American system, American ruling circles banked in the 1980s on traditional free enterprise and broad competition, an expansion of the private sector with some limitation of state regulation of the economy, and also a broad "re-industrialisation", a "modernisation" of the country's industrial base, and greater financing of promising branches of the economy (such as the electronics industry) and scientific research work.

Enormous efforts and resources are simultaneously thrown into the practical military fortification of "fortress America". In practice this amounts to the introduction of new generations of nearly all the main types of weapons, from the MX strategic nuclear missile to the M-1 tank, and to an increase in the American military presence and interference abroad. The aim of achieving military superiority is openly put forward.

As far as the "improvement" in America's socio-political life is concerned, it has been proposed to bank on the traditional "law and order" slogan and a strengthening of the traditional values, such as property, religion, the family, etc.

The realisation of these strategic and mostly long-term goals is destined to become the objective basis of the new parameters of the "superiority" of the "American model". Thus, we see today not only America's claim to the role of "world leader", but also Washington's attempts to *create* conditions on the world arena which are favourable for America and the spreading of her influence, and to place some *objective* grounds in the military, political, economic and other fields under the enforced stereotypes of American "domination", "superiority", etc.

Precisely in these conditions, when Washington is trying once again to establish the "American model" in the world by force and to foist it onto other countries and peoples, and when, at the same time, the "cracks" and weak spots in this model have been revealed during stormy discussions and even more stormy events of the last decade, we shall try objectively, drawing on the facts and paying heed to the opinions of Americans themselves, to examine the economic and political structure of modern America, the principles of her interaction with the outside world, and her attitude to contemporary global problems.

There are two key questions for us here: first, what are the development tendencies of the "American model" of social structure, and what will these lead to in the future? What is the American society like which is entering the third millennium of human history, and is it capable of becoming a prototype of a "society of the future"? Second, can the "American model" be adopted either fully or in part in other countries?

The future is formed today, and people are obliged to decide what the world of the future can do without, and what is indispensable for it.

References

1. "Engels to Nikolai Frantsevich Danielson in St. Petersburg. London, October 17, 1893," Marx/Engels, *Selected Correspondence*, Progress Publishers, Moscow, 1975, p. 438.
2. Maynes, Ch., Ullman, R., "Ten Years of Foreign Policy". In: *Foreign Policy*, No. 40, 1980, p. 3.
3. Gimpel, J., "The Greying of America". In: *National Review*, Vol. 28, No. 22, 1976, p. 1287.
4. Hughes, Th.L., "The Crack-Up: The Price of Collective Irresponsibility". In: *Foreign Policy*, No. 40, pp. 47-48.
5. Glazer, N., "American Values and American Foreign Policy". In: *Commentary*, Vol. 62, No. 1, July 1976, p. 32.
6. See: Henry Steele Commager, "The Revolution as a World Ideal". In: *Saturday Review*, Vol. 3, No. 6, December 13, 1975, p. 13.
7. *The Record of American Diplomacy. Documents and Readings in the History of American Foreign Relations*. Ed. by Ruhl J. Bartlett, Alfred A. Knopf, New York, 1948, pp. 387, 388.
8. Quester, G., "Consensus Lost". In: *Foreign Policy*, No. 40, 1980, p. 19.
9. Paine, Th., "The American Crisis". In: *The Writings of Thomas Paine*, Vol. 1, G. P. Putnam's Sons, New York, London, 1902, pp. 252, 253-254.
10. Bell, D., "The End of American Exceptionalism". In: *The Public Interest*, No. 41, Fall 1975, p. 199.
11. Commager, H., *The American Mind. An Interpretation of American Thought and Character Since the 1880's*, Yale University Press, New Heaven and London, 1976, pp. 10-11.
12. *Vital Speeches of the Day*, Vol. XXVII, No. 17, June

- 15, 1961, p. 514.
13. "The Seventies, Ten Years that Shook America ... and Now, the Eighties", *Newsweek*, Vol. 94, No. 21, November 19, 1979, p. 24.
 14. Urban, G., "From Containment to ... Self-Containment. A Conversation with George F. Kennan. In: *Encounter*, Vol. XLVII, No. 3, September 1976, p. 10.
 15. *The Decline of U.S. Power (and what we can do about it)*, Houghton Mifflin Company, Boston, 1980, p. 1.
 16. Chase, J., *Solvency. The Price of Survival. An Essay on American Foreign Policy*, Random House, New York, 1981, p. 42.
 17. Kennedy, P., "A Historian of Imperial Decline Looks at America". In: *International Herald Tribune*, November 3, 1982, p. 6.
 18. Hoffman, S., "The New Orthodoxy". In: *The New York Review of Books*, Vol. 27, No. 6, April 16, 1981, p. 22.
 19. Wattenberg, B., *The Real America*, Doubleday and Co., Inc., New York, 1974, p. 18.
 20. Manning, B., "The Congress, the Executive and Inter-mestic Affairs: Three Proposals". In: *Foreign Affairs*, Vol. 55, No. 2, January 1977, p. 308.
 21. Cited from *Public Opinion*, Vol. 4, No. 3, June/July 1981, p. 2.
 22. Wattenberg, B., *The Real America*, p. 203.
 23. *American-Soviet Detente, Peace and National Security*, Ed. by Fred Warner Neal, East-West Accord Committee, New York, 1975, p. 6.
 24. *Science, Technology and Diplomacy in the Age of Interdependence*, Subcommittee on International Security and Scientific Affairs of the Committee on International Relations, U.S. House of Representatives, G.P.O., Wash., 1976, p. 102.
 25. Gilpin, R., "Exporting the Technological Revolution". In: *Saturday Review*, Vol. 3, No. 6, December 13, 1975, p. 31.
 26. *The Department of State Bulletin*, No. 1948, October 25, 1976, p. 505.
 27. Brzezinski, Z., *Between Two Ages. America's Role in the Technetronic Era*, The Viking Press, New York, 1970, pp. 255, 256.
 28. Yankelovich, D. and Kaagan, L., "Assertive America". In: *Foreign Affairs*, Vol. 59, No. 3, 1981, p. 704.
 29. *Foreign Policy*, No. 43, Summer 1981, p. 9.

Chapter II

THE ILLUSION OF "UNLIMITED GROWTH"

The Economy on the Starting Line. Metamorphoses of Economic Progress. The State Comes on the Scene. Capitalist Civilisation's Bed of Procrustes. Imperatives of the Scientific and Technological Revolution. The Myth of the "Social Responsibility" of Business. Ecological Dilemmas. A State Within a State: the Oil Business. A State Within a State: the Military-Industrial Complex. The Threat to Small-Scale Enterprise. Behind the Façade of Prosperity. "Class Partnership": the Beginning of the End? When the Referee Puts His Gloves On... The Working-Class Movement at the Crossroads. The American Economy on the Threshold of the 1980s. "Reaganomics": Its Potentialities and Limits.

The Economy on the Starting Line

In 1790, when thirteen British colonies in North America gained independence and founded a new state, the United States was, by modern standards, an underdeveloped country. Its tiny population (around 4 million, including 700,000 slaves) was scattered across its enormous territory and mainly engaged in agriculture. Just 24 settlements numbered more than 2,500 inhabitants, and those few factories which existed in them treated skins, furs, and timber, and were engaged in shipbuilding and iron smelting. Internal trade was almost non-existent and amounted to an exchange of the agricultural surpluses produced on the hundreds of thousands of small farms for necessities. International trade was developed to quite a large extent, albeit one-sidedly, for Britain absorbed all the exports of the former colonies, and also supplied the United States with industrial goods.

So, two centuries ago, the United States was an agrarian, patriarchal society. It is typical that many prominent figures in the young republic, including one of its first presidents, Thomas Jefferson, openly opposed turning the United States into an industrial country like Britain. Let industry with its class antagonisms, social contrasts and political problems remain the lot of the Old World, they said. America was to be an agrarian country, in which the free farmer and the skilled craftsman would be the main actors in the American economic model of development.

History, however, has its own logic of development. No one understood this logic better than Alexander Hamilton, the first Secretary of the Treasury, who depicted in his historic works fantastic perspectives of the industrial and financial development of America, which turned the United States into the world's leading industrial power.

Hamilton's plans were by no means a Utopia: from the very inception of the new nation many favourable factors facilitated successful economic development, above all, the enormous untapped riches of a whole continent abounding in agricultural resources and industrial raw materials, all that was needed was to set about exploiting them. Even in the thirteen states which originally made up the new nation, there were large deposits of coal, iron, copper and lead. The Southern states were able to grow produce which was in great demand in Europe—cotton, tobacco, etc., and the addition of new territories in the West held still greater promise for economic progress.

Besides that, after the War of Independence, those few

remains of feudal relations which were present in the former British colonies were destroyed. In the United States, which was notable from the very outset for its considerable tolerance, the Church was split into many hostile sects, and was therefore unable to exert such a baneful influence over the growth of industry as did the Catholic Church in Latin America. The absence of large-scale private landownership which was a brake on capitalist development in Europe, was conducive to rapid progress in agriculture. The only strong survival of feudalism in the USA was the plantation system, which was based on slavery and doomed to ruin in the future.

The third, and no less important factor that brought about the rapid economic growth of America, was the continual and ever-growing influx of immigrants from Europe. In 1790, as we have already noted, the population of the USA numbered just 4 million people, but in 1820 it was already 10 million, in 1850—23 million, and in 1910—92 million. Most of the immigrants, who had fled their homelands because of political and religious persecution, as well as poverty, and who hoped to find freedom and prosperity in the New World, were notable for their great stamina, courage and enterprise. Among them, there was no small number of qualified craftsmen and workers.

We must not underestimate, of course, the role of the "frontier" spirit and of the "settlement frontier" itself, which was the dividing line between the explored and populated lands of the East and the virgin lands of the West. (This "frontier" spirit is not typical of European countries which have long been inhabited, with the exception of Russia, which mastered the new lands in the East in even harsher conditions.) Living conditions on the "frontier", which demanded bravery and resourcefulness, made a deep impression on the way all Americans think, and when the new lands had been completely mastered, that same entrepreneurial spirit spread into industry and other spheres of economic activity.

Finally, we should not forget to mention the advantageous geographical, or, rather, geopolitical position of the United States. Throughout the 19th and in the first half of the 20th centuries, Americans felt secure from the numerous wars which shook the European continent, bringing great disaster and destruction. American statesmen always used the European wars to their country's advantage, conducting unusually profitable trade with the European countries and coalitions that were at odds with one another.

In this way the United States represented an ideal prov-

ing ground for the capitalist economic model. Because of this, it was precisely here that this model achieved its greatest flourishing, and here that it most clearly revealed its ineradicable contradictions.

Metamorphoses of Economic Progress

Thomas Jefferson's lofty dreams of a harmonious society of farmers and craftsmen were not destined to come true. As early as 1791 the first cotton mill had been set going in America. In the 1820s the American textile industry had come onto international markets, and by the start of the Civil War in 1861, American cottons were successfully competing with those produced in Britain.

In 1816 the first steelworks was built close to Pittsburgh. Steel production reached 600,000 tons in 1850, and in 1860 it was one million tons. The coal industry developed at similarly fantastic rates: from 50 thousand tons in 1820 to 14 million in 1860. The craftsman was replaced by the industrial worker, and the retailer—by the powerful capitalist. After industrial capital, finance capital came onto the scene—in 1791 there were just three banks operating in the entire country, whereas in 1860 they numbered 1,600.

The rapid economic development of the USA in the middle of the 19th century was directly linked to the unfolding of the industrial revolution, which followed the invention of the steam engine and the establishment of the factory system of production. The United States played a not insignificant role in the development and rapid introduction of new inventions. Among the most important inventions of the first hundred years of American industrial development, which are either wholly or partly American are the following: the steamship (1787), the cotton gin (1793), the paper-making machine (1809), the mowing-machine (1831), the reaper (1836), the telegraph (1832), the vulcanisation of rubber (1844), the capstan lathe (1845), the pneumatic tyre (1845), the shoe-sewing machine (1846), the rotary machine (1846), the Bessemer process (1847), the turbine (1849), the electric locomotive (1851), the refrigerator car (1868), the telephone (1876), the phonograph (1877), the electric light (1878), Linotype (1880), photographic film (1881), alternating current (1892), the cinematograph (1893), and the caterpillar tractor (1900).

The victory of the North in the Civil War, which destroyed slavery and the plantation system, gave a new

stimulus to the development of industry and agriculture. In the first half of the 19th century shipping canals were the main transport routes in America, but in the second half intensive construction of railways began. The first transcontinental mainline, the Union Pacific, was built between 1862 and 1869; by 1880 the total length of railways had reached 150 thousand kilometres, and by 1900—310 thousand. The domestic market gradually took shape, and towns grew quickly—both on the East coast (New York, Boston, Philadelphia, Baltimore) and in the Midwest (Chicago, Pittsburgh, Cleveland). New branches of industry such as steel, oil, chemical, electrotechnical and others grew at particularly fast rates.

In 1894 the United States took first place in the world in terms of volume of industrial production.

So, Hamilton's prophecies came true in the first hundred years of the United States' existence: once uninhabited lands had been mastered and were yielding rich harvests, and enormous factories were springing up amongst the boundless plains. Large industrial centres were being formed and the entire continent was quickly being covered with a thick network of transport arteries; American technology was being adopted more and more frequently all over the world as an example to be imitated, and the standard of living of American citizens grew immeasurably.

But Thomas Jefferson's apprehensions were also borne out. In the 19th century the USA went through eight cyclic crises of overproduction, each of which was a difficult ordeal for American working people. The growth of large-scale industry, in particular the oil industry, was accompanied by political machinations, brazen exploitation of the workers, and sometimes by robberies and murders. From 1837 on, unemployment became a chronic illness in the United States. Pointed social conflicts between workers and entrepreneurs, farmers and town-dwellers, the "old" and the "new" settlers flared up ever more frequently.

The very basis of the American economic model—the system of free enterprise—was gradually being undermined. Every new invention, every new technological process powerfully demanded the socialisation of production, a broadening of its scales, and the concentration of capital and the labour force. The American economic system was facing a difficult choice: either to maintain the classic principles of "free enterprise", fraught with economic stagnation and deep social upheavals, or to renounce these principles and adapt to the new conditions of capital reproduction.

American capitalism took the second path. The capitalist who had replaced the craftsman was, in his turn, ousted at the end of the 19th century by the monopolist. Economic power was concentrated in the hands of the monopolistic groups of the Morgans, Rockefellers, Carnegies, Astors, Goolds, Vanderbilts, Crockers, Armours, Cooks and their ilk. The monopolisation of production was accompanied by intensified use of the latest technical achievements, and simultaneously by a sharp worsening of social conflicts.

The qualitative leap of the American economy at the beginning of the 20th century further whipped up its rates of growth. It was not by chance that the American economy reached very high levels in those fields where monopolisation was at its highest—in metallurgy (monopolised by the United States Steel Corporation), in the oil industry (Standard Oil Company), and in automobile production (General Motors Corporation, Ford Motors Company, Chrysler Corporation). Monopolies have far greater opportunities to use social resources, thanks to their more social nature: they can effect specialisation and co-operation much more efficiently, create a broader base for scientific research, and also take much greater risks in using technical innovations than can small undertakings.

At the same time, however, monopolies also have better opportunities for holding up scientific and technical progress. A monopoly, after all, no matter how large it is, remains a private capitalist enterprise, whose aim is to obtain the maximum profit and not increase the well-being of society as a whole. Because of this, a massive part of inventions and technical innovations is not introduced in production in conditions of monopoly capitalism.

The American monopolies succeeded in achieving a number of significant successes in organising management on the scale of enterprises and firms. An improvement in the organisation of labour increased the latter's productivity, and, correspondingly, the rate of profit. However, the perfection of management and planning of production did not overstep the scales of individual firms and monopolistic combines. On the contrary, the rise and development of the monopolies strengthened the anarchy of production throughout society, since a monopoly undermines the law of the market without replacing it with any other.

The development of the monopolies placed the stability of the American economic system under question. Urgent interference by the state was needed in order to avoid

economic anarchy and, as far as possible, to protect citizens from being abused by big business. In 1890 the Sherman Antitrust Act laid the foundation of antitrust legislation, and its provisions were developed in the Clayton Antitrust Act, which was adopted in 1914. These laws, however, were applied very rarely, and the trusts were, in the majority of cases, more powerful than the authorities which were supposed to control them. Even enactments of the Supreme Court of the USA had no effect: the monopolistic combines continued to function, formally having split into several ostensibly individual companies. Even President Roosevelt, who was all but the chief initiator of this legislation recognised its ineffectiveness.

The State Comes on the Scene

The First World War, or, rather, the economic prosperity which it brought with it to the United States, essentially held up the inevitable reorganisation of the American economic system. During the war years, the overall value of industrial production went up from 23,900 million dollars to 62,000 million, and the net profits of corporations, which were around 4,000 million dollars in 1914, reached 8,400 million in 1918. The industrial boom of the war years was followed by a decade of feverishly rapid growth, if we ignore the short crisis of 1921. This was facilitated to a considerable extent by the fall in production in the majority of European countries, which not only gave the United States a free hand in Asia, Africa and Latin America, but also allowed American goods to penetrate European markets.

It seemed that the American economy had reached the peak of its might. The government, the mass media, economists and sociologists, industrialists and union leaders all predicted the coming prosperity, victory over poverty and social inequality, and that economic crises would be overcome.

The economic system, however, which was based on the uncontrolled activity of the monopolies, itself bore the source of its own collapse. Firstly, the economic upsurge followed an extremely uneven course: stagnation was to be seen in the textile, garment and coal-mining industries. Secondly, the self-interested practice of the corporations, which sought to achieve maximal profits at any price, led to a widening of the abyss between production and the capacity of the domestic market: the cost of manufacturing industry's output from 1923 to 1929

increased from 60,500 to 70,400 million dollars, whereas the total size of wages grew by only 600 million. Thirdly, prosperity sharply worsened the social contrasts of American society: towards the end of the 1920s, the total income of the sixty thousand richest families in the USA was equal to the total income of 25 million poor American families.

The United States paid dearly for the illusory "flourishing" of the 1920s. The world economic crisis of the 1930s, which affected all the Western world, dealt a particularly harsh blow to the American economy. From 1929 to 1932, industrial production fell by 46 per cent, including production of the means of production by 72 per cent. The national income fell more than twofold, more than 135 thousand industrial, trading and financial firms folded, and the army of unemployed reached 17 million.

The economic crisis of 1929-1933 meant that the potentialities of monopoly capitalism as the economic system of the USA were exhausted. A further qualitative leap and a new stage of socialisation of production were necessary for the American economy to continue to function; and, yet again, the American economy adapted itself. President Roosevelt's New Deal meant that monopoly capitalism became state-monopoly capitalism.

A large number of laws were formulated by the Roosevelt Administration and urgently adopted by Congress, which provided for the active interference of the state in economic life, and also for individual concessions to workers, farmers, and the petty and middle bourgeoisie with the aim of surmounting the difficulties brought on by the economic crisis (these laws included the National Recovery Administration Act, the 'Agricultural Adjustment Administration Act, the Federal Emergency Relief Administration Act, the Home Owners' Loan Corporation Act, the Commodity Credit Corporation Act, and the Securities and Exchanges Commission Act).

As a result of the New Deal, the total amount of workers' earned income increased by roughly one thousand million dollars. The working day of two million people was shortened, and one million workers gained the right to paid holidays. For the first time in the history of the United States, a law on social security was adopted. Of course, these measures did not signify a "socialist reorganisation" of the American economy as many conservative critics of Roosevelt maintained, although they did result in a significant modification of the American economic system, which moved even further away from the principles layed down by the Founding Fathers.

Capitalist Civilisation's Bed of Procrustes

The formation of state-monopoly capitalism and the favourable economic situation which took shape during the Second World War and in the first post-war decades allowed for a new, significant rise in the effectiveness of production and an increase in the rates of economic growth. In 1947-1976 the average annual growth rates of industrial production in the USA were 4.2 per cent, and of agricultural output—1.7 per cent, whilst from 1920 to 1940 these were correspondingly 2.65 and 0.85 per cent. The annual growth rates of labour productivity reached 3.3 per cent.

The renewal of fixed capital on scales greater than ever before, and the use of scientific and technical progress to intensify labour, as well as broad usage of cheap resources from the Third World all noticeably stimulated the growth of the highly industrialised sector of the world capitalist economy for a number of years. Competition with the world system of socialism spurred the American top circles even more to mobilise all the resources of American society.

Western theoreticians rushed to draw far-reaching conclusions from this. They proclaimed nothing more nor less than the beginning of a new era of capitalism. The apparent "shock wave" of post-industrialism, which flowed over America and the whole world, filling capitalism with life-giving forces, to draw an analogy with the industrial revolution of the 19th century, became the basis of capitalism's "miraculous" recovery. As a result of qualitative scientific and technical growth, capitalism was acquiring the capacity for further development, getting its second wind. With the aid of this lever, it was supposedly to liquidate its previous flaws and gradually to develop into a society of "general welfare", which, strictly speaking, cannot even be considered capitalism.

Undoubtedly, scientific and technical progress, the level of consumption, and the level of social stratification are all important indicators of the development of a society. They are, however, merely individual, although also very essential aspects of modern life. Can a truly scientific analysis of modern capitalist society, of the contemporary economy of the USA be made while ignoring its important characteristics, such as to whom it belongs and what goals it sets itself? Is it correct to characterise the material well-being of the working people merely on the basis of the level of consumption, ignoring such significant factors as increasing the intensiveness of labour, spending more on the reproduction of labour, the growth in the needs

of people today, etc? The answer to these questions is, of course, no.

The scientific and technological revolution, while, for a time, allowing the monopolies of the USA further to develop their technical might and to produce even more goods and weapons, making the rich even richer in the process, at the same time cannot and is not changing the essence of American capitalism—moreover, it exacerbates its internal contradictions.

Science, as is well known, is continually developing and achieving significant successes in modern capitalist society. The rates at which it is developing, however, are artificially slackened. This is explained by the fact that the capitalist is interested not only in the development of science, but often also in holding up scientific progress, for this may increase the power of his competitors. The situation in the scientific and technical sphere is often analogous of the crisis situation in production, when a part of the product is purposefully destroyed and productive capacity is significantly underloaded.

Wastefulness, which has always been typical of the American economy, is becoming particularly scandalous in the scientific and technical field. The striving to keep commercial secrets by any means led to a situation where in the USA, a country with probably the most powerful system for dispersing scientific and technical information, it took around ten years for 80 per cent of interested firms to obtain sufficiently comprehensive information about programme-controlled machine-tools, and seven years for information to be spread about the latest technology in paper production. The low levels of dissemination of scientific and technical achievements are also accompanied by a low level of usage. According to estimates made by the US Department of Commerce, just 10 per cent of American firms make use of the technical achievements in their field which are available in the country. It has been calculated that if the remaining 90 per cent effectively implemented the advantages of these innovations, which are already well-known and have been tested in practice, the productivity of labour in American manufacturing industry would grow at least threefold.

The fact that scientific and technical progress in the USA is often a direct result of economic crimes is one of the paradoxes of the modern American economic system. Here we are talking about industrial espionage—the theft of technical secrets, inventions and innovations by some firms from others.

The scale of these illegal operations is very large—around

20 thousand million dollars a year. The government has already been fighting the theft of technical secrets for a long time, as have the Federal Bureau of Investigation (FBI), the police, and private detectives. The American society for secrecy protection in business, which has its headquarters in Washington, today numbers more than 18 thousand members. The firms which participate in this organisation jointly work out new ways of avoiding information leaks: the telephones of senior employees are regularly tapped; detailed dossiers are compiled on major specialists with the object of showing their "trustworthiness"; lie detectors are used; electrical detection equipment is installed in places of work, etc.

Every success in the fight with industrial espionage, however, turns into a long-term hindering of scientific and technical progress. By keeping technical achievements secret, the more prominent firms are able to hold up the scientific progress both of their immediate competitors and in entire branches of industry. For example, for fifteen years Polaroid hindered the Eastman Kodak Corporation's attempts to make its Land Camera (instant picture camera), Xerox refused to sell licences for 1,700 of its patents, Bell Laboratories did not issue any licences for transistors for a long time, Du Pont de Nemours did not issue any for cellophane, nor did the Ray-O-Vak Corporation for dry batteries, the Radio Corporation of America and the Haseltine Research Co. demanded additional licence fees for each radio or television set sold, etc. At the same time, industrial espionage, which undermines individual firms' monopolies of inventions and innovations, to a certain extent facilitates a broad spreading of them and, consequently, meets the needs of society as a whole. Such is one of the manifest contradictions of the modern capitalist economy, a contradiction which clearly shows the need for its radical reorganisation.

Imperatives of the Scientific and Technological Revolution

The production of knowledge, which has become an important component of the economic system of modern society, differs vitally from the production of industrial goods. If these are intended for individual use, knowledge and scientific discoveries belong to the whole of society in their social function. For this reason even their production is only possible on a basis of social criteria. Apart from that, such criteria differ radically from the criteria

of private enterprise.

From society's point of view, expenditure on science is always effective under any conditions. It is economically justified even when it is known that its realisation is impossible within the life of the present generation. Within the framework of the social, and not of the personal scale of time, searches for truth do make sense, even when it is most unlikely that an answer will be found. After all, the traditional image of an old man planting young saplings ("they will bring fruit to others") characterises the highly important peculiarity of the current level of scientific development and its requirements, as well as of the progress of civilisation in general. This peculiarity is the orientation of society to the future. If society proves to be generous in respect of science today, it will be rich tomorrow. Therefore, from society's point of view, the allocation of funds to science is in fact a safe investment of public money in a bank which will never fold and which guarantees scientific and technical dividends in the future.

But what about capital's point of view? It has its own criteria of the expediency of capital investments in this or that enterprise. The most general criterion is that of "investment and return", i.e. as quick a realisation as possible of actual monetary outlays, which must be as reliably guaranteed as possible. This golden rule, which has never let business down, is also spreading to the sphere of science, seeing knowledge as an ordinary commodity which can be bought and sold.

At the same time, capital investments in science are repaid over a much more prolonged period than are ordinary investments. Apart from that, financial allocations can become unjustified as a result of mistakes in scientific work, against which no researcher is guaranteed. It has been calculated, for example, that of every ten articles which have gone through the research and development stage, five do not stand up to production and market tests, and only two will bring commercial success. Even large corporations are often in no position to overcome the "risk category". This means that the principle of profitability sets a rigid limit on the introduction of new technology and research connected with a possible commercial failure.

Since this is so, the very possibility of effective fundamental research being carried out is placed under doubt. A discovery which only promises to be of practical use fifty years hence has very little chance of winning the favour of those who pay for the research that goes into it. At the same time, society's requirement precisely for long-

term, fundamental research is now growing sharply. Such research lays the foundation for the future development of a whole complex of scientific and technical solutions, the level and nature of which will determine the condition of power engineering, electronics, the means of automation, mechanical engineering, metallurgy, agriculture and other industries several decades on.

Research which is directed at the satisfaction mainly of the tasks which are advanced by current, everyday practice, is already becoming insufficient. Such a strategy (which is characteristic of capitalism) hides new prospective directions of scientific research, which are not yet known and on which, as may become clear tomorrow, the further development of scientific and technical progress depends.

Apart from that, it should be borne in mind that the character and nature of modern scientific and technical achievements are such that they cannot be fully realised not only by individual enterprises, but also by the most powerful monopolies. Here the main obstacle is a lack of financial resources, information and qualified workers essential if broad frontal research is to be carried out. Such research is possible only on a state scale, and not just any state at that, but only that which has a powerful scientific, technical and production base.

It should be recognised that American capitalism is trying to meet this new requirement of scientific and technical progress by attempting to load the burden and risk of long-term research expenses on the shoulders of the state. At present the federal government finances around 65 per cent of expenses on science. However, the state's policy in this sphere is too often inconsistent and contradictory. For example, after the scientific boom of the early 1960s there came a protracted restriction or even cutback of actual expenditure on scientific work. In comparison with the middle of the 1960s, the share of the gross domestic product taken by these expenditures by the end of the 1970s had fallen from 2.9 to 2.2 per cent, whilst in Japan, for example, it had grown from 1.5 to 1.9 per cent, and in West Germany—from 1.7 to 2.3 per cent. To a considerable extent this facilitated the significant drop in the rates of labour productivity growth seen in the USA during the 1970s.

But even the very fact that a system of centralised research being conducted by the state arose, the results of which tend to become the property of society as a whole, means one more restriction of the competitive struggle, one more blow to the classical system of private enterprise.

The Myth of the "Social Responsibility" of Business

The well-known British commentator on current affairs, David Frost noted, and not without humour, that in the West it is usually the conduct of the lower class which arouses the displeasure of the upper class that is called crime. Indeed, the Western mass media make considerable efforts to try and prove that crime is a distinctive privilege of the poorest strata of the population, racial minorities, the youth and radical leftist elements. It is precisely at these social groups that the fear and animosity of the population is directed, their minds being crammed with pictures of brutal murders, violence and thoughtless acts of vandalism.

The other side of this picture is the widespread myth of the "social responsibility" of business, according to which the leaders of corporations have already been worrying for a long time not about reaping the maximum of profit, but about the welfare of all society, and are matchless examples of civil spirit and pillars of social morality. And since the levers of economic power are in such worthy hands, the American economy will have nothing to worry about in the future.

Of course, the president of a large corporation will hardly take it into his head to mug a passer-by in an empty backstreet, and a member of parliament will scarcely steal a bread roll from a supermarket, but does this mean that the people on the highest rungs of the social ladder do not commit crimes? By no means. Crime simply takes on very special forms here and, as a rule, is not overadvertised. This is "white-collar" crime, which is not connected with violence, but with the financial, economic and political machinations of people in high social positions who are vested with substantial power.

The most diverse crimes of corporations form the basis of "white-collar" crime. Such abuses are assuming enormous scales, becoming, in point of fact, an everyday practice of private enterprise. Over the last ten years alone, more than 2,500 American firms committed some sort of criminal act.

What goes into this statistics?

Firstly, avoidance of paying taxes: by making use of various financial tricks and book-cooking, presidents of companies can conceal hundreds of millions of dollars from the tax authorities. Here they employ the services of highly qualified lawyers who specialise in the concealment of revenue from the imposition of taxation.

Then there is the infringement of antitrust legislation

and the establishment of monopoly high prices; this brings corporations sixty thousand million dollars of extra profit a year.

Thirdly, infringement of labour legislation: this type of crime has become particularly widespread in connection with the broad usage in the United States of the labour of "illegal immigrants" — emigrés from Mexico, Jamaica, El Salvador and other Central American countries. Elementary labour protection measures are often lacking at enterprises where immigrants work and foreign workers' wages are sometimes far lower than the minimum established by law. Neither do they enjoy social security benefits.

Next there is the infringement of environmental protection laws; corporations pollute the rivers and lakes of the USA with chemical waste, and poison the atmosphere.

The laws against erroneous advertising are broken, as are those relating to patents and copyright; production is falsified; and, finally, corporations make wide use of bribes.

It is precisely the latter form of corporations' crimes that is most tightly linked with the malfeasance in office of government officials and American statesmen. The largest companies have special funds for buying off officials both at home and abroad. Thus, during the sensational investigation of the illegal operations of the aircraft company Lockheed, it became clear that the company had paid bribes of more than 20 million dollars to statesmen from 14 countries over several years.

From time to time scandalous stories of the corruption of major political figures and American and foreign officials surface in the American press. In recent years American corporations have succeeded in tempting four Japanese Prime Ministers, the Vice-President and Defence Secretary of the USA, the British Home Secretary and the French Minister for Internal Affairs with generous gifts. But this is only the tip of an enormous iceberg of corruption, the greater part of which remains hidden from the public gaze. It is known that American officials annually accept bribes to the tune of 20-30 thousand million dollars! No less than five thousand million dollars of this is secretly paid by the monopolies on conclusion of government contracts.

"White-collar" criminals do not only differ from ordinary criminals in the outward respectability of their actions. The fact that corporations' crimes remain, as a rule, unpunished (as do the crimes of civil servants) is of much greater importance. Most of them get away with small fines which, at best, are of symbolic significance. When the Ford Motor Company was found guilty of polluting

the Kanawha River in West Virginia with industrial sewage, it was fined the maximum possible by law—35 thousand dollars. Such a fine, however, hardly dealt a serious financial blow to a company with annual profits of 140 million dollars.

If particularly malicious criminals find themselves in the dock, corporations do everything possible to help out their employees. Even after being condemned and serving their punishment, the "victims" usually return once more to leading posts and quite often are also promoted for the "loyalty" they have shown. After all, a readiness to resort to anything—even to crime—in the interests of "one's" firm is an absolutely indispensable quality for a corporation manager.

The striking patience of American justice towards the crimes of corporations is often explained, they say, by the fact that they are "crimes without victims". Indeed, it is very difficult to determine just what harm "white-collar" crime does to American society, above all because the majority of corporations' crimes remain undetected. But these crimes do have victims—the entire American people. Even according to far from complete statistics, corporations' crimes in the United States come to 200 thousand million dollars a year. In other words, every American is annually robbed of more than a thousand dollars.

Apart from that, it is sometimes practically impossible to draw the line between "white-collar" and ordinary crime. Outwardly decent firms are not fastidious about contraband and trafficking in drugs, and employ gangster methods, making short work of their opponents. The Cosa Nostra gangster syndicate, in its turn, buys off officials, annually setting aside 4,500 million dollars to bribe policemen alone. In conditions of a deepening crisis of capitalist society, the line between business and crime is forever fading: crime is becoming organised and professional, and is acquiring solidity and respectability; business is learning the norms and rules of conduct of the criminal world, and has been able to circumvent even those few restrictions placed on it by the capitalist economic system.

Ecological Dilemmas

"There is no subject more on our minds than the preservation of our environment and the absolute necessity of waging all-out war against the debauching of that environment." These categoric words do not belong to an activist

in a student movement or even to the leader of the "Green" Party. This is a quote from a speech made by Ronald Reagan when he was Governor of California. Fifteen years ago, when the movement for the protection of the environment first came into the American political arena, the future President hurried to stress his devotion to its goals.

Even then, however, things went no further than words. As Governor of California, Reagan fought for the protection of nature in his own, highly individual way: he abolished the Air Pollution Control Agency, decisively came out against measures for the protection of the state's seashore, supported a project to broaden the network of expressways which was extremely harmful to the nature of California, and stated that, as he saw it, just one tree would be sufficient in the California national park.

Having established himself in the White House, Reagan in actual fact began an all-out attack on nature on a nationwide scale. Like the campaigns being waged by the present Administration against the American union movement, national minorities and supporters of disarmament, the war against nature is camouflaged with splendid declarations and demagogic promises. The concrete actions of "Reagan's team", however, speak for themselves.

As early as 1981 the Republicans either cancelled or cut back on the most important ecological programmes which their predecessors had followed. The Environment Protection Agency's budget was reduced by 3,000 million dollars. The work of the Council on Environmental Quality, a Presidential consultative body, was actually brought to nothing: its budget was reduced by two-thirds and the majority of workers were dismissed. The following year the President approved a number of instructions essentially lowering the standards of cleanliness of water and of the air. The programme for creating new national parks was buried, and the list of rare animals threatened with extinction and protected by the state was shortened. Finally, corporations obtained the right to prospect for and process minerals on the territory of national parks and reserves.

It is not superfluous to recall that such measures are being taken at a time when ecological problems in the United States are exceptionally acute. Chemical wastes poison around 90 per cent of the country's water basins, and more than 140 million Americans live in areas where the quality of the air does not meet medical norms. Over the last twenty-five years the acidity of rainfall in the USA grew fifty times. Every year around 40 million tons of toxic products are thrown onto dumps, into quarries

and ponds, and in nine cases out of ten the appropriate precautionary measures are not taken.

The list of these alarming facts could be continued endlessly. American scientists warn that the sinister spectre of ecological catastrophe is looming ever more clearly on the horizon. If radical measures are not taken in the very near future, cancerous diseases may become the lot of every other person in the next generation, genetic defects will become a commonplace phenomenon for millions of Americans, and vast areas of previously fertile land will turn into lifeless deserts.

Other scientists speak not of a national, but a global catastrophe, which will be inevitable if the American economic system continues to function. They draw attention to the steady increase in the quantity of carbon dioxide in the atmosphere. This process could, within the next few decades, turn the Earth into a gigantic greenhouse soaking up considerably more solar energy than it does today. A direct consequence of this will be a significant rise in temperatures on the planet, which, in turn, will lead to fertile lands becoming areas of drought, and to a sharp rise in the level of the world's oceans because of the polar ice melting. This, of course, would cause coastal towns and areas of land to be flooded. Yet more scientists maintain that it is not a rise, but a drop in temperature that threatens the Earth. This, they say, will become an unavoidable consequence of the growing dust content of the Earth's atmosphere. Even the beginning of a new ice age is predicted, which would bring even greater calamities to humanity than another Flood. Other scientists say that the main threat comes not from a change in temperature, but from the destruction of the ozone layer in the Earth's lower stratosphere. The ozone layer, which is broken by supersonic aircraft flights, shields life on Earth from ultraviolet radiation. A significant increase in the natural level of radiation could lead to a pathological change in heredity, the appearance of a large number of congenital defects and, in the final analysis, to the degeneration of mankind.

Many other, no less ominous interpretations of the day of judgement could be made. For all their differences, one common premise is striking—the overwhelming majority of American researchers into problems of protecting the environment deny the existence of a direct link between the social system and ecological problems. They maintain that the ecological crisis is the consequence purely of economic, and not social processes. Man needs ever more raw materials, energy and foodstuffs irrespective

of ideology and the forms of ownership, and natural resources remain limited. For this reason, human society has to walk on a knife edge. On the one hand, the Scylla of technology, and on the other—the Charybdis of ecology. On the one side—the quantity of material benefits, and on the other—the quality of life. On the one side—progress, and on the other—an equilibrium.

For some people such antinomies may, of course, seem attractive. In our view, however, they are completely unacceptable, even if not for the fact that they bring the perspectives of mankind to an almost identically negative choice: either a dead technetronic civilisation, or industrial stagnation and even regression.

It seems that the problem of the ecological crisis can only be understood from class positions in the USA. Above all, it is essential to answer the question of who actually bears the main responsibility for polluting the environment. "Everyone is guilty," American sociologists say. The capitalist pours sewage into a river, the housewife, washing powder residues into the drains, a tanker is involved in some accident and spills oil onto the surface of the ocean, and the tourist leaves tins and broken glass behind at his picnic site. This is true, is it not? But to say that "everyone is guilty" is like saying that "nobody is guilty".

Such an approach allows the main perpetrators of ecological problems to be shielded. Apart from that, the facts indisputably show that large modern enterprises connected with productive consumption needs occupy a dominant position among the many sources of environmental pollution. Above all, these are the power, metallurgical, chemical, pulp-and-paper, construction, and transport industries.

Further, large enterprises, the majority of which in the United States are in the hands of private owners, are orientated towards making maximum profits with minimum outlays. This provision is a fundamental law of operation for any market economy. Consequently, ecological needs objectively and inevitably remain outside the American economic system—after all, they make production more expensive and less competitive.

It is hardly possible to cultivate new values in the American market economy, which would orientate it not only towards the maximum growth of profits, but also towards the best possible solution to the unpleasant ecological effects of material production which accompany it. After all, economic activity is not determined by wishful thinking, however well-grounded it may be, but by concrete

regulators resulting from the peculiarities of the social structure.

Work for the protection of the environment in the USA is sufficiently effective in some private aspects, and this experience can also be used in other countries. However, this work is not distinctive of the American model, and, as a result, gives rise to new contradictions. For example, it is known that a number of enterprises producing equipment for the protection of the environment themselves do considerable harm to the surroundings. The situation taking shape within the framework of the world capitalist system as a whole is even more paradoxical. Throughout the 1970s highly effective means of control over the quality of the atmosphere and internal waterways were established in the USA, and equipment for the fight with pollution was created. However, it was precisely this raising of ecological standards in the USA that led to a sharp worsening of the ecological situation in a number of developing countries, to which American transnational corporations moved their "dirty" production.

Serious difficulties, which are practically unsolvable under the present economic system of the USA, arise in the tackling of problems of financial expenditure on the protection of the environment. At present, administrative environmental protection measures predominate in the USA, and a significant part of expenses on this are covered directly from the public purse, i.e. at the expense of the taxpayer. Such state protectionism actually encourages the hanger-on tendency of private firms, and does not materially stimulate them to develop and introduce waste-free technology and to produce technologically pure goods.

Various options for a new economic system of control over the environment have recently been widely discussed in American scientific circles. A general tax and the introduction of rent payments for the use of the natural environment by every economic unit are to become the pivot of this system of control. This would allow a "transformation" of society's "external" costs into the "internal" expenditure of private producers. But in practice such an approach could lead to a new rise in consumer prices on the premise of increased "ecological expenditure".

It should be noted that, in the USA, the fanning of ecological problems is to a considerable extent determined not so much by the aspiration radically to solve this problem, as by the wish to exploit it in the most effective way in the interests of extremely narrow social groups. The theoretical posing of socio-ecological problems usual-

ly comes down to Auguste Comte's scheme: understand to foresee, foresee to prevent. Here they want to foresee situations threatening the stable maintenance of the existing social system and its political institutions, and eliminate them by slightly modifying the latter.

As public opinion polls show, the vast majority of Americans decisively oppose the relaxation of existing legislation concerning the protection of the environment, and are demanding new, more effective measures from the federal government to overcome the ecological crisis. Moreover, to this end Americans are ready to go to a significant transformation of the economic institutions of American capitalism and broaden state regulation of the economy.

But all the same the federal government stubbornly continues to take measures aimed at lessening federal control over the quality of the environment. In so doing, it risks provoking broad political opposition, as well as placing a trump card in the hands of its political opponents. Why, then, do they continue applying these measures?

At first glance, the answer to this question is obvious enough. The government, which consistently reflects the interests of big business, is logically trying to free the monopolies from as many restrictions concerning the protection of the environment as possible, and to remove the burden of expenditure to this end from the entrepreneurs. After all, it becomes more and more expensive with each passing day. According to economists' calculations, taking into account the legislation adopted in the 1970s, the private sector of the American economy would have had to spend in that decade around 230,000 million dollars on building and operating purification and other equipment guaranteeing the protection of the environment. Therefore, every step towards relaxing the existing legislation means an economy of hundreds of millions of dollars for the monopolies.

There is, however, another, perhaps more important and more long-term reason for the federal government's present policy U-turn in respect of the environment. In order to understand it, it is useful to make a minor historical digression.

Ecological problems first attracted the attention of the broad American public at the end of the 1960s. Such notable occurrences as the spontaneous combustion of the Cuyahoga river in Cleveland because of the waste it contained, the gigantic-scale dumping of poisonous substances into the Mississippi and the Missouri, and the pollution of town air were concrete evidence that the

environment in America was being seriously harmed.

At the same time, the country's political and economic establishment was trying to use the situation which was taking shape in its own interests. Firstly, the upsurge of the movement for the protection of the environment could divert the attention of Americans from the war in Vietnam, from the fight for civil rights, and from the American youth movement. Secondly, ecological programmes meant wide-ranging social work projects with solid contracts for the largest corporations. Congress, therefore, hurriedly adopted the National Environment Preservation Act, the Clean Air Act, and the Clean Water Act with a lot of pomp, the more so as all these laws contained sufficient loopholes for the wily lawyers of big business.

But not even ten years had passed when it became clear that the successive implementation of environment protection legislation was step by step undermining the very foundations of the American economic system. Thus, the Clean Water Act drew attention to many problems of water pollution which could not be solved simply by building purification equipment and required harsh public control over enterprises themselves, and sometimes even major changes in production processes. The Clean Air Act started discussions on the need to introduce federal planning in the chemical industry and its closely-related branches. In a word, it became clear that the problem of ecology was not only and not so much a technical as a social one, requiring deep reform of the whole of society for its solution.

This is precisely why the Reagan Administration is fighting environment protection legislation with such fantastic obstinacy. After all, it is not only the interests of this or that monopolistic group that are at stake, but also the "sacred and inviolable" principles of private ownership. But is not the Reagan Administration's foolhardy and suicidal policy, a policy placing the health and life of the present and future generations of Americans under threat—is it not a graphic illustration of the limitations of these principles, and of their disparity with the realities of the world?

A State Within a State: the Oil Business

In the last decade, a lot was said and written in the United States about the energy crisis. This crisis was frequently represented as a worldwide catastrophe, by which all the misfortunes of inflation and unemployment, the economic

decline and the fall in the standard of living were explained, to say nothing of such clear manifestations of the fuel shortage as cold flats, long queues at the gas stations, and dim street lights. The Arab sheikhs, whose unbridled greed supposedly even led to serious breaks in the working of the "American model", were accused of all these calamities of the West.

However, it is unconvincing to set the question so trivially. In our opinion, the energy crisis of the 1970s and beginning of the 1980s was a direct outcome of the "American model", and the result of the work of the oil business, which, having developed on the basis of this system, outgrew it and came into conflict with it.

In recent decades the West's economy has been orientated towards more rapid development of oil deposits, mainly in developing countries. But the accent on oil as the main kind of fuel in the long term is manifestly unjustified: world oil reserves are greatly exceeded by those of coal, and besides, it is too valuable a mineral for the chemical industry to be used in this way. However, since the multinational oil concerns succeeded in maintaining low monopoly prices for crude oil, this situation was considered to be normal, and nobody worried about the future. As a result, not only the countries of Western Europe and Japan, but even the United States, which itself has large reserves of crude oil, had to a considerable extent based their energy consumption on imported oil by the beginning of the 1970s. They preferred to concentrate on oil deposits in the Middle East, restricting oil extraction on their own territory. For this reason it came as a shock and an extremely painful blow to the economy of the United States when the Organisation of Petroleum Exporting Countries (OPEC) raised the price of oil.

The consequences of the end of the "cheap fuel era" were felt by everyone: workers in the motorcar industry encountered a sharp drop in demand and mass dismissals; farmers had to pay two to three times more for mineral fertilizers than before; and housewives received astronomical electric and heating bills.

But, as it gradually became clear, the main victims of the unbridled greed of the Arab sheikhs were the American oil companies. This is quite understandable. Not only were their holdings nationalised first in one, then in another oil-producing country, and not only did their share of the world oil trade steadily decline, but they also had to pay fabulous sums for the "black gold"—over the last ten years the price of oil has risen fifteen times.

One could sympathise with the sad fate of the oil mo-

nopolies, but obstinate statistics show that things were not really as bad as all that. In actual fact, the oil giant Exxon holds first place amongst the largest American corporations (and also amongst corporations of the whole capitalist world), both in terms of turnover and of profits. The second place is also held by an oil concern—the Mobil Oil Corporation, and the largest motorcar concern, the General Motors Corporation, holds only third place.

It is even more surprising that the oil monopolies expand their positions in the American economy every year. Today their shares are improving quicker than those of any other American company, including aerospace concerns. In 1980 alone, the average income of shareholders in the oil business was 53 per cent of invested capital. Nine years ago, seven of the twenty largest corporations in America were oil concerns, and Exxon alone came into the top five of these twenty, whereas today there are thirteen oil concerns among the twenty largest corporations, four of which come into the top five. Finally, and although this is highly surprising, the statistics prove that the oil monopolies are increasing their profits particularly quickly at a time when oil prices are rising sharply.

The first such rise was implemented by the OPEC countries in 1973-1974, when prices went up four times: from \$2.50 a barrel (140 litres) to \$10. It seemed that, according to all the laws of private enterprise, the oil companies were facing unavoidable bankruptcy. Not at all! On the contrary, two firms alone—Exxon and Texaco—increased their profits by 750 million dollars.

The price rise in 1979-1980 was even more significant—from \$12 to \$34 a barrel, and the increase in the oil business's profits also became more sizeable. Exxon's revenue increased by more than 1,500 million dollars, and Texaco's profits almost doubled. In all, the 1979-1980 rise in the price of oil brought the five largest American monopolies (Exxon, Mobil Oil, Sokal, Gulf Oil and Texaco) more than 10,000 million dollars in 1979, 25,000 million in 1980, and over 30,000 million in 1981.

Is this a case of "the worse, the better"? Prices rose fifteenfold, the oil monopolies' control over the extraction of the "black gold" in the OPEC countries was reduced tenfold, and their share in international supplies of oil was almost halved. Yet prices not only did not fall, they continued to rise at unprecedented rates.

At first glance, the picture is highly improbable. And in any case, it in no respect corresponds with the underlying principles of operation of the American economic system. After all, the oil business is not only the extrac-

tion and sale of crude oil, but also its transportation, storage, refining, and the production of oil products, and although the American oil business has let the first links in the oil chain slip from its hands, it is holding the rest firmly.

The OPEC countries produce less than one-tenth of all oil-based products in the non-socialist world and their share in the petrochemical industry and tanker fleet is even lower. As a result just 13 cents of every dollar spent at the petrol pumps in New York or San Francisco reach the oil-producing countries. The rest (minus taxes) goes into the safes of the oil monopolies. Here the paradox lies in the fact that the oil corporations, having lost their former positions in the OPEC countries and on the world market, assumed a broad offensive on consumers in the United States itself. They succeeded not only in placing a fifteenfold rise in the price of oil on the shoulders of the other branches of the American economy, but also in extracting an enormous additional tax from American transport, industry, and agriculture. This, of course, could not but tell on the working of the "American model". An increase in the rate of inflation and a drop in the rates of economic growth became concrete displays of the breaks in its operation.

In order to obtain additional profits, the oil concerns often use speculative methods. In recent years a whole mechanism has come into being in this area for artificially whipping up a speculative boom. Whenever there is a periodical worsening of the situation in the Middle East or in the region of the Persian Gulf (the situation in this area remains acutely tense, and it is possible to find as many pretexts for this as one might wish: the anti-Shah revolution in Iran, the Iran-Iraq war, the terrorist attack on the Great Mosque in Mecca, the Israeli invasion of Lebanon, etc.), a hullabaloo is incited in the press about the "threat to oil supplies". Sombre prophecies are made and pictures are painted of the "energy death" of the West. It also seems that references to the "Soviet threat" to oil routes cannot be avoided. The Western countries feverishly build up strategic oil reserves, demand rises sharply, supply falls, and the oil monopolies make colossal excess profits. Thus, while the events in Iran were happening, the price of oil on the Rotterdam open market was artificially inflated to \$40-45 a barrel, while the official OPEC price was \$18-24.

Apart from that, after extremely simple financial operations, a major part of the money which the oil monopolies have to pay to the OPEC countries returns to its

primary source. The oil-producing countries' economies could not absorb hundreds of thousands of millions of dollars, and a large part of this money returns to the developed capitalist countries as industrial investments and bank deposits. And since the most advantageous place for capital investment is the oil business, it is here that the OPEC countries' petrodollars flow. As far as the leading American banks are concerned, the majority of them are closely linked with the oil monopolies. In this way, petrodollars become an important source of finance for the oil business of the United States.

It is easy to note that the activity of the oil business significantly undermines the effectiveness with which the "American model" functions. This activity not only seriously worsens the economic position of the country's workers, but also contradicts the interests of the corporations of all other branches of the economy. This is precisely why angry declarations directed at the oil business are heard from the White House. In this respect, Jimmy Carter particularly stood out, who was in general inclined to high-flown declarations.

As long as 40 years before Carter, his famous predecessor Franklin Delano Roosevelt characterised the essence of the relationship between the oil business and the government as being such that America's calamity was that it was impossible to win elections without the support of the oil business, and that therefore it was impossible effectively to control the latter. Thus, the political might of big business is a vice inherent in the American model.

Over the last forty years the political power of the oil corporations has grown even more. Every post-war American administration has drawn on the support of the financial and industrial empire of the oil monopolies to some extent or other, and, consequently, has been dependent to some extent or other on this empire.

The oil monopolies have the most powerful lobby on Capitol Hill, which guarantees them exclusive "rules of the game" on the American economic scene. Registered oil-business lobbyists alone today account for around 10 per cent of all lobbyist organisations in Washington. And after all, just one-tenth of all groups representing the interests of these corporations are officially registered. What is more important is that more than one hundred members of the country's higher legislative body have shares in oil and gas corporations. This is quite enough to ruin any government energy programme, however reasonable and economically expedient it may be, if it does not meet the interests of the oil business.

This is what is happening. In the 1970s alone, the administrations of Richard Nixon, Gerald Ford and Jimmy Carter put forward five national energy programmes in all, not one of which was implemented.

It was originally proposed to achieve total American independence in respect of energy by the middle of the 1980s through economising on oil and developing alternative energy sources. However, a refusal to import oil would make the double-entry book-keeping of the oil concerns more difficult, and the fulfilment of this programme was wrecked. Then a more modest goal was set—to halve imports of oil, but the oil monopolies ruined this plan, too. In the end the government proposed that, at least, oil imports should not be increased. But even this goal could not be achieved.

Imports of oil continued to grow in the second half of the 1970s, and reached a record quantity of 321 million tons by the beginning of the 1980s. American dependence on external supplies of oil did not lessen, but sharply increased, reaching 40 per cent. And this is taking into account the fact that oil reserves in the United States itself are estimated at 22,000 million tons. These reserves would suffice fully to supply the American economy for fifty years, but since it is more profitable for the monopolies to speculate in foreign oil, oil extraction within the country continues to fall.

Whilst sabotaging governmental energy-independence programmes, the oil monopolies did not miss opportunities to obtain important privileges for themselves from the White House. Thus, at the end of the 1970s, the federal government had to renounce control over the price of oil extracted in the United States. The government took on itself financial programmes to the value of 20,000 million dollars to create a cheap synthetic fuel, which was also one of the main goals of the oil business.

The accession of the Reagan Administration was greeted with enthusiasm in the boardrooms of the oil concerns. And not surprisingly, either—Reagan's election, after all, meant that the oil corporations would henceforth be given complete freedom of hand both in the United States and in the international arena.

Reagan's energy programme differed radically from those of previous administrations. The desired aim from now on was proclaimed as maintaining imports of oil at a high level, removing the remaining systems of control over the prices of gas and oil, abolishing all the rules connected with economising on oil and oil products, and also relaxing the norms of environmental protection as applied

to the petrochemical industry.

The oil monopolies, of course, were not slow to use the favourable potentialities which were opening up before them. In order to illustrate the scales reached by national robbery, we will cite just one line from the accounts of oil concerns. In June 1982, the price of petrol in the USA was raised on average by 5 cents a gallon (3.8 litres). In July it went up by a further 10 cents. Both these rises were implemented while the price for oil remained stable. The overall rise of 15 cents a gallon meant that the average American family had to increase its annual expenditure on petrol by 375 dollars, on food—by 105 dollars (in connection with the fact that combustibles are intensively used all along the foodstuffs-production chain), and on heating—by 415 dollars. If we multiply these figures by the 60 million American families, it is easy to calculate how the self-interested policy of the oil business treats the people of the USA.

A trend has recently been noticed on world "black gold" markets to a certain lowering of prices. It is still early to talk of any long-term character of this tendency, but it is already clear that the oil business is urgently trying to bring to naught the positive influence of this on the development of the American economy. Corporations now acquire crude oil more cheaply, but they are clearly in no hurry to lower the price of oil-based products. The economic rise is slowing at the cost of such "egoism", growth rates of the productivity of labour are falling, and the overall effectiveness of the country's economy is lessening.

In this way the oil business, which grew up within the framework of the "American model" and in accordance with its principles of operation, has become a gigantic cancerous tumour on the American economy, which can hardly be cured with normal therapeutic resources. A radical solution to the energy problem requires just as radical a reconstruction of the "American model" as a whole.

A State Within a State: the Military-Industrial Complex

The last professional soldier to be elected to the post of President of the United States was General Dwight Eisenhower, and it was he who first brought the term "the military-industrial complex" into use. In his farewell speech in January 1961 it was as a wise politician that he noted with alarm the growing tendency of the colossal American

military machine to merge with powerful military industry. At that time he emphasised that the political, economic and even spiritual influence of the military-industrial complex was being felt in every town, every state, and every federal institution. In other words, the military-industrial complex had become an integral part of the "American model".

In the two-and-a-half decades since Eisenhower left office, many civilians have sat in the presidential chair. In trying to disprove their predecessor, they showed surprising unanimity and exceptional eloquence. They said that the war industry held an unimportant and, moreover, isolated place in the country's economy. Pentagon orders, they maintained, were scattered among tens of thousands of companies, which were separated by competition. Over and over they repeated that the principles of the American economic system and constitutional norms reliably protected American society from political diktat and the economic abuse of military corporations.

But, as is known, even the most brilliant speakers' tricks turn into fruitless sophisms if they are aimed at disproving actuality. Moreover, the facts show that the military-industrial complex not only exists, it exerts an ever more negative influence on the economic and political life of the United States and has become an organic part of the "American model".

Let us begin with the fact that, at present, one-third of all federal expenditure goes on military purposes. If we talk about federal government purchases, the share of these taken by military agencies is more than two-thirds of the total. Thus, assertions that defence production is supposedly "isolated" in the American economy are also groundless. Today the Pentagon has need of practically everything—from buttons for full-dress uniforms to spacecraft such as the Shuttle for setting up orbital stations carrying laser weapons. According to figures given in the American press, the catalogue of things with a military use today comprises 3.7 million entries. This means that practically every branch of the American economy is working to some extent or other for the Pentagon.

As far as the "scattering" of military orders is concerned this is highly relative. Although around 20 thousand contractors and more than 100 thousand subcontractors and suppliers fulfil military orders, 70 per cent of all orders fall to the hundred largest military corporations. Of these, thirty firms receive half of all orders, and the ten largest—one-third.

The transfer of the arms race to technically complex

and capital-intensive industries, which is connected with the acceleration of scientific and technical progress in the military sphere, whips up the process of the concentration of production still more. It is not by chance that the level of concentration is particularly high in such areas as aircraft and missile construction, radioelectronics, and shipbuilding. Thus, three firms—the General Dynamics Corporation, the Litton Industries Company and Tenneco—receive 78 per cent of all shipbuilding orders for the Navy. Just nine firms realise three-quarters of all sales in the aviation industry, and radioelectronics are practically completely in the hands of ten companies.

In the early 1980s, the McDonnell Douglas Corporation held first place among the largest contractors to the Pentagon.

In 1981, its contracts with the Department of Defense were worth 4,400 million dollars. It was followed by United Technologies (3,800 million dollars), the General Dynamics Corporation (3,400 million), General Electric (3,000), the Boeing Company, (2,700), Lockheed (2,700), Hughes Aircraft (2,600), the Raytheon Company (1,800), the Grumman Corporation (1,700), and Chrysler (1,400). A further eight corporations (including such firms as Martin Marietta, Rockwell International, and the Westinghouse Electric Corporation) received orders worth over a thousand million dollars each.

The interaction of the military business with legislative and executive power was adjusted with the precision of a watch mechanism. A whole army of the largest corporations' lobbyists is active on Capitol Hill, forcing ever newer defence programmes through Congress. The lobbyists' tactics are highly diverse—they range from "impassively informing" congressmen to direct bribery, blackmail and intimidation. The "Washington representatives" of the military monopolies used to prefer to remain in the background, while such figures as Ted Lefebvre (General Dynamics), George Trautman (General Electric Company), Clarke McGregor (United Technologies), and Stan Sommers (the Northrop Corporation) would now not very likely lag behind certain senators in their activeness.

However, as far as senators are concerned, they themselves have of late been playing the role of "pushers" for the largest military monopolies.

The link between business and the military departments is even closer. Every year thousands of retiring officers and generals find the most welcoming reception in the boardrooms of military corporations. Companies readily employ Pentagon veterans, who bring with them close

ties with their former colleagues, a knowledge of prospective military programmes and, hence, new orders and new profits.

Maybe the head current of corporations' employees into the Pentagon is not so manifest, but it is no less important. Wishing to guarantee effective civilian control over the activity of the military, the Founding Fathers at one time decreed that Secretaries of Defense, of the Air Force and of the Navy, their deputies and assistants should all be appointed by the President from among civilians. Theoretically, this was extremely laudable foresight, but in practice it has led to a situation where the higher posts in the Pentagon are invariably occupied by people one way or another connected with the military business. Since the Second World War, every American Defense Secretary, beginning with James Forrestal and ending with Caspar Weinberger, has come to the five-cornered building on the shores of the Potomac either from the post of president of a large military corporation, bank or legal firm connected with these corporations, or from military scientific centres and laboratories. The present head of the Pentagon was formerly vice-president of the construction corporation Bechtel, which is carrying out large-scale military construction work in Saudi Arabia.

The military corporations are not only spreading their influence to the Pentagon, but also to such institutions as the Central Intelligence Agency (CIA), the National Security Agency (NSA), the National Aeronautics and Space Administration (NASA), the Department of Energy and, of course, the State Department. After he left the post of Supreme Allied Commander, Europe, former Secretary of State Alexander Haig held the post of president of United Technologies for a year. During this year he became a millionaire. Even before he entered "Reagan's team", George Shultz, Haig's successor to the post of State Secretary, was a colleague of Caspar Weinberger in the management of Bechtel.

The atmosphere of militaristic psychosis and military hysteria that has been created in the USA, the charging-up of international tension and the undermining of the achievements of detente are reflected directly in the revenue of the military corporations. In 1980 alone, when the Carter Administration provoked a crisis in connection with events in Afghanistan, Boeing's net profits rose by 18.8 per cent in comparison with the previous year to come up to 600 million dollars. Tenneco's profits reached 726 million dollars (a rise of 27 per cent), and United Technologies'—393 million (a rise of 21 per cent).

The Reagan Administration brought the military companies even greater profits. The White House's strategic programme, which was announced in October 1981, was unprecedented, even by American standards: 23,000 million dollars on strategic defence, 34,000 million on the MX intercontinental ballistic missile, 42,000 million on atomic submarines, and 63,000 million on strategic bombers. The White House set aside almost 200,000 million dollars just for the modernisation of American strategic forces.

It is already clear that the lion's share of the Pentagon cake was in the hands of a few large monopolies of the military-industrial complex which had managed to edge their numerous competitors out. Thus, the production of the B-1B bomber fell to Rockwell International, and in 1983, 4,800 million dollars was allotted for its construction. This is only the beginning—after all, even according to the lowered estimates of the Defense Department, each of the one hundred B-1B bombers ordered costs 280 million dollars. And the congressional Budget Agency believes that the whole programme will cost not less than 40,000 million dollars.

Neither did other large aviation corporations remain on the sidelines. Northrop is developing a model of an "invisible aircraft" (Stealth), which, to all appearances, will not cost less than the B-1B. Boeing received a construction programme for air-based cruise missiles worth 6,000 million, and Hughes Aircraft concentrated in its hands the main orders for intelligence satellites, space and laser weapons.

A powerful "pool" uniting nearly all the largest military corporations was created for the construction of the MX missile system. Rockwell International became the main contractor in this programme, and McDonnell Douglas, Boeing, Martin Marietta, Northrop and other companies were drawn in to produce individual units. Incidentally, the resources initially set aside by the Reagan Administration for the MX system (34 million dollars) are considered insufficient. According to the calculations of American specialists, the final cost of the MX system will greatly exceed the original estimates, and will not be less than 50,000 million dollars.

The construction of Ohio atomic submarines and Trident missiles was completely monopolised by General Dynamics. Work is to be started on eight such submarines over the next five years, each of which will increase the corporation's profits by 400 million dollars. The corporation also won an order to construct submarine-launched

cruise missiles and land-based cruise missiles (each of these programmes is worth 3,000 million dollars). And Lockheed is filling an order for Trident ballistic missiles for submarines.

The hullabaloo around the White House's strategic programme has not prevented the largest military business monopolies from occupying ruling positions on other weapons markets, too. General Dynamics is building the F-16 fighter aircraft for the US Air Force, and McDonnell Douglas, which also won the main orders for the means of transportation for the transfer of the rapid deployment forces, is producing the F-15 fighter. The contract to construct Pershing-2 missiles is being fulfilled by Martin Marietta.

But the point here is not only the colossal concentration of military production. In the end, this concentration is an important characteristic of the whole economic system of the USA. It is essential to note something else, too—that the activity of the military concerns is in glaring contradiction to the laws of the free market.

Above all, it is striking that military concerns achieve a much higher norm of profit than other, "civilian" companies. An analysis of 146 major military contracts carried out by the General Accounting Office of the USA showed the average norm of profit on invested capital as being 5.6 per cent. A similar index of the 500 largest American industrial corporations at the end of the 1970s was around 14 per cent. But for the largest military corporations the norm of profit cannot be measured by any economic criteria. Thus, examining the situation in the 131 largest military-industry firms, a Senate commission established that 49 of them made profits of more than 100 per cent of invested capital, 22—over 200 per cent, 3—around 500 per cent, and one corporation—2,000 per cent.

What lies at the basis of such fantastic figures?

Firstly, it is essential to remember that military-industrial corporations occupy a special, privileged position amongst other companies. Flouting the laws of "honest competition", the state grants them extremely significant tax concessions, preferential credit, and practically totally finances military research and development work. The military business is the first to receive raw materials which are in short supply, qualified labour and new equipment. Sometimes the state hands over entire weapons production plants to the military corporations. Of course, such state patronage of the war industry cannot but warp the whole economic mechanism of the country, deepening the disproportions between the various branches. In this way,

state interference in the economy will not smooth out the contradictions to be found in it, but will seriously worsen them.

Secondly, as we have already said, the main directions of the military industry are actually monopolised by a few of the largest firms. The principle of competition, therefore, on which the American economic system is built, is almost non-existent in this field. Before the Second World War relations between the producers of arms and the military departments were based mainly on the competition principles of "open markets", whereas today 90 per cent of purchases are made on the "closed market", which reduces competition to a minimum. Accordingly, favourable conditions are created for the establishment of high monopoly prices.

Thirdly, the Pentagon is a very special customer, fundamentally different from private firms. It does not have to worry about the profitability of its activities. On the contrary, many people evaluate the effectiveness of the Defense Department according to the amount of military allocations it succeeds in obtaining and spending. The military corporations make wide use of this peculiarity of the Pentagon.

Military concerns often resort to an artificial raising of the prices of their production when additional technical improvements are added to finished goods. These improvements are sometimes completely unnecessary and sometimes even reduce the effectiveness of the military technology, while increasing its cost. According to some estimates, the cost of a weapons system goes up, on average, by 20 per cent a year. This means that they more than double in price in just four years.

It is perfectly clear that the military-industrial complex is developing and functioning according to its own laws, very different from those by which the rest of the American economy functions. Another question is, how does the military industry influence economic development? American researchers often write of how military expenditure supposedly has a "beneficial influence" on the country's economy. In particular they maintain that military expenditure provides employment, accelerates scientific and technical progress, and stimulates business activity.

It seems that such an interpretation of the economic aspect of the arms race has, to put it mildly, a one-sided nature. Indeed, the construction programme of the B-1B, for example, provides more than three hundred thousand people with work, the MX programme—almost two hundred thousand people, and more than one-and-a-half million Americans participate in the production of basic arms.

But this is just one side of the affair. The arms race does,

indeed, create jobs, but it is well known that expenditure on armaments creates far fewer work places per thousand million dollars invested than does state expenditure in any other industry (by virtue of the very high level of the organic structure of capital in the military industry). If just a part of the money which goes into the Pentagon's budget were spent on health care, education and the development of the "civilian" branches of industry, this would yield hundreds of thousands of additional jobs annually.

Apart from that it must be remembered that a build-up in arms is always accompanied by a reduction in various governmental social security programmes. The only attempt simultaneously to provide guns and butter, which was undertaken by the Johnson Administration during the years of the "Great Society" and Vietnam, ended, as is well known, in a severe economic crisis. And a reduction or restriction of social programmes, particularly in the field of professional and technical training, can only lead to an increase in unemployment.

On the other hand, a change of economic priorities in favour of the military industry inevitably leads to a further worsening of the situation in such branches of the American economy as ferrous metallurgy, and the motorcar and coal industries, which have been in need of radical modification for a long time. To give these industries up as a bad job means condemning whole regions of the United States to chronic depression and mass unemployment.

It should also not be forgotten that an increase in military expenditure entails a rise in the federal budget deficit, quickens the spiral of inflation and slows the rates of economic growth. The competitiveness of American goods falls on international markets and, after all, the jobs of millions of Americans depend on foreign trade.

Finally, it should be remembered that the military industry mainly provides highly-qualified specialists of the most "rare" profile with jobs. There are not many of these people in the country and anyway, they could easily find work in "civilian" industries. As far as young people, unskilled workers and national minorities are concerned, these groups of the population, who mostly suffer from unemployment, are almost completely excluded from the military economy.

The same situation is observed in the manner the arms race affects scientific and technical progress. Indeed, the results of scientific research carried out for military purposes later spread to non-military industries and, in so doing, facilitate the development of the economy as a whole. The development of nuclear energy, electro-

tics and the civil aerospace industry is all to some extent a result of the impulse given to civilian industries by the military sector. However, since development of science is subordinate to highly narrow and, moreover, unproductive goals, it inevitably acquires a warped, one-sided character, and leads to disproportions in the whole system of scientific research, spurring some lines and limiting others. For example, the classification of discoveries and achievements as secret, which is inevitable in the military sphere, plays a very important role in restraining scientific and technical progress. From the purely human, moral point of view, too, it cannot be considered normal when, in one of the world's leading scientific and technical powers every fifth electrician and mechanical engineer, two out of every six aviation technicians, two out of every five theoretical physicists, and three out of every five aeronautical engineers are occupied with the development and manufacture of supermodern weapons of destruction.

The military-industrial complex, like the oil business, appears in modern America in two aspects: on the one hand, it is a natural outcome of the "American model", outside which it could not exert such influence over other areas of American life; and on the other hand, it renounces the basic principles on which this model is being built, and with each passing year lowers its effectiveness even more, undermining and destroying it from within.

The Threat to Small-Scale Enterprise

Charles Trianito from Massachusetts was very lucky. For twenty-five years he worked as a shop assistant and for twenty-five years the hope never left him of founding his own business. This dream was finally to come true in November 1978: having borrowed ten thousand dollars from his wife's parents and a further fifteen thousand from the bank, he opened a small wallpaper shop.

Trianito was doubly lucky—he succeeded in finding a site for the shop which was both on a busy railway line and also right beside the Emerson Corporation's enormous carpet shop. All this attracted customers, and at first the new firm went uphill. But Trianito had to work ten hours a day, without any days off or even public holidays. His wife Maria also stood for hours behind the counter, and, despite the fact that the family had three children, they had to economise on every little thing, for the business demanded more and more investments.

But, nonetheless, Trianito was happy. He had, at last, become his own boss, and had his own firm. He hoped that the hardest part was already behind and that the flourishing business would give him an independent and stable position.

Alas, the illusiveness of these hopes was very soon to be revealed. In the autumn of 1981 the Emerson carpet shop closed down—evidently, customers had decided that carpets had become an impermissible luxury in conditions of severe “Reaganomics”. Another six months later, the replacement of wallpaper had also become an impermissible luxury. In the summer of 1982, Trianito’s sales fell by half, and his shop began to incur losses. He continued to struggle despairingly, even mortgaging his house, but sales declined inexorably, while debts mounted just as inexorably. At the end of 1982, Trianito owed a total of 63 thousand dollars, and had no cash left whatsoever. His creditors turned to the courts, and he was declared bankrupt.

This story is fairly typical of the American economic system. In the USA people became used to bankruptcy a long time ago, just as they became used to economic crises, unemployment and other unpleasant but inevitable corollaries of the “American model” of development. With the exception of occasions when a large industrial or financial corporation collapses, which does not happen all that often, bankruptcies do not attract any particular attention either from civil servants or the mass media. As they like to say in America, capitalism without bankruptcy is the same as Christianity without Hell.

Other adherents of economic social-Darwinism (a theory according to which economic life in bourgeois society is identical to the struggle for existence in the animal world) even extol bankruptcy as a phenomenon which, although somewhat painful, is on the whole positive and absolutely necessary for the optimal development of the economy. The weekly *Time* stiltedly reasons that, like a forest fire which burns down dry trees and shrub and, in so doing, releases fertile soil, the bankruptcy of one company often releases markets, capital and skilled labour, all of which serves to strengthen other firms.

But, continuing this brutal, even inhuman analogy, we can ask: does a forest fire really destroy only dry trees and useless shrub? Does it not sometimes become a terrible natural calamity, devouring everything in its path? Does it not leave behind it a blackened desert?

The current economic situation in the USA, which is characterised by a colossal acceleration of the concentration of production and capital and abrupt changes in the

state of the market, significantly increases the instability of small-scale business. Some economists even talk of an "epidemic of bankruptcies" which gripped the United States at the beginning of the 1980s. Every week more than five hundred small firms go bankrupt in the country. The number of bankruptcies is growing like an avalanche; America has not seen anything like it since the Great Depression.

It must also be remembered that American figures do not include in the number of bankruptcies those companies which simply discontinue their operations and dissolve themselves, having firstly paid off their debts. Although this self-liquidation outwardly seems less dramatic, its result is the same: jobs are lost, hopes frustrated, and economic stability undermined. Each week four thousand companies quietly close down in the USA.

Of course, it can be said that they are replaced by other, newly-founded companies, and that the overall number of corporations in the country is growing, not decreasing. But there is in this one of the most important contradictions of the American economic system—that the traditional social stimuli, which have been kept since the days of free enterprise, are entering into irreconcilable conflict with the realities of the present economic situation.

Indeed, the customs and traditions of American society have always served to form the high social status of the entrepreneur. It is more prestigious to be the boss, the owner of an enterprise or business, even a small one, than it is to be the employee of a corporation, even a gigantic one. The skilful organisation of a profitable business by an "ordinary" person, a difficult and severe struggle for existence, the overthrow of competitors, the attainment of wealth and glory through enterprise, a love of work and an unshakeable belief in one's capabilities—in the USA all this has for many decades been surrounded by a romantic halo which today has not lost its attractiveness for the average American.

Meanwhile, the economic situation has changed radically. It used to be an extremely risky undertaking to set up a private business, but now, under state-monopoly capitalism, the chances of success have, indeed, become paltry. But a large majority of the people who each year seek to try out their business skills, possessing only meagre means with which to start, know only too well that they are taking a great risk and that a pathetic reward awaits them (if there will be any reward at all). However, stereotypes of thinking and the venturesome striving to "come

out on top" outweigh all considerations of caution. Typically, even a series of failures does not halt new businessmen and they persistently resume their efforts, becoming like Sisyphus, who time and gain tried to roll an enormous boulder to the top of a hill.

American economists and sociologists often claim that the growing instability of small (and even medium-sized) businesses is not really such a serious problem. All the consequences of bankruptcy and failure in the business world, they say, fall on incompetent entrepreneurs, who not only have to part with basic capital, but sometimes even to sell their own belongings in order to pay off their creditors. As far as workers are concerned, they supposedly gain from bankruptcies, since the latter result in a flow of workers from companies which have folded into flourishing ones.

Such arguments, however, do not correspond to the actual situation. Businessmen, above all the owners of medium-sized corporations, make very skilful use of legislation in laying the weight of bankruptcy on the shoulders of the workers, themselves remaining on the sidelines and maybe even strengthening their position.

From the legal point of view, there are two sorts of bankruptcy: "compulsory bankruptcy" and "voluntary bankruptcy". The former is typical of very small firms, like Trianito's shop. These companies are more and more often unable to compete with the monopolies. During declines they quickly exhaust their cash reserves, and take on debts which they are unable to repay. In the end, creditors take legal action which usually results in the property of the bankrupt firm being sold off and the debts, or at least a part of them, being paid off with the revenue.

Large firms which have encountered serious financial difficulties most often resort to the practice of "voluntary bankruptcy". In the given case the "voluntary" aspect is in that the firm declares itself insolvent and tries to write off a part of its financial obligations through the court. In theory, the property of the bankrupt firm in this case, too, must go under the hammer. But the board of the firm usually carries out extremely cunning financial manoeuvres before it declares "voluntary bankruptcy": money is deposited in various "philanthropic" funds, credit is extended to men of straw, the books are cooked, and so on. Sometimes the creditors are left with nothing and themselves go bankrupt, while the "bankrupt" firm reappears three to four years later under a new name and with large reserves of financial means at its disposal. In this way, bankruptcy becomes a tactical move in competition.

But for employees and workers, bankruptcy threatens genuine catastrophe in any case. It is far from easy to find a job in the United States, and it is particularly difficult for the former employee of a bankrupt firm.

In the current economic situation, the "threshold" of instability tends to get higher, and the social consequences of bankruptcy are becoming ever more palpable. For example, in 1982 Braniff Airways, a fairly large airline, went bankrupt, leaving ten thousand people without work. Since the situation in the field of air transport was particularly grave and Pan American, one of the largest airline corporations, was also on the brink of bankruptcy, the chances of finding work were practically nil for these ten thousand people.

The bankruptcy of the Vicks Corporation resulted in 227 shops being closed down in 38 states and many thousands of workers and employees being dismissed. For all these people it is completely irrelevant whether this bankruptcy was a genuine collapse or a cunningly played-out spectacle. Unlike the board of the corporation, they will not be able simply to "wait" a few years, taking a break from business in their luxurious homes and fashionable resorts. The ordinary employees will spend these years at the labour exchange and in queues for food coupons.

For American workers, in the same way as for small businessmen, the concept of bankruptcy retains its primordial sinister sense. Serious hiccoughs in the working of the "American model" lie behind the epidemic of financial crashes, court proceedings and mass dismissals.

Behind the Façade of Prosperity

While talking about the problems of small businesses in the USA, we should particularly pause on the position of American farmers. There was a time when small farms formed the basis of the whole socio-economic system of the USA, and the farmers' mass movements played a significant role in the country's political life. Today the proportion of farmers in the gainfully-employed population of the country has fallen to just a few per cent, but agriculture none the less occupies an important place in the American economy, softening the acuteness of economic crises, bringing down the rate of inflation, and preventing the foreign trade balance from being completely drowned in imported oil. And it would seem, therefore, that farmers are justified in demanding all-out support and aid from the federal government.

Presidents of the USA have never missed an opportunity to emphasise that the position of farming is always at the centre of their attention. Jimmy Carter went down in history as "a peanut farmer from Georgia" and Ronald Reagan has a very great interest in agriculture, running his large cattle ranch in California.

But, all the same, the future of American farmers today looks far from cheerful. To some extent they are experiencing all the difficulties which are inherent in small enterprise as a whole: they suffer from instability of demand, from the competition of large agro-industrial concerns, and from the inconsistent and contradictory policy of the federal government. However, contemporary family farms are also experiencing their own specific difficulties, which have recently become particularly noticeable.

Above all, agriculture has today become one of the most capital-intensive branches of the American economy. The rapid industrialisation of the agrarian sector and the use of highly productive machines at all stages of agricultural work have greatly increased the productivity of American agriculture. However, it is precisely this outstanding achievement of the American economic system that has placed the social foundation of American agriculture—small family farms—under threat.

The minimum amount of capital necessary to organise (or even to maintain) a profitable farm has in recent decades grown manifold. As a result of this, the concentration of production and capital in the hands of the rich farmers has increased abruptly. In trying to compete with the enormous farm-factories that produce grain, meat, milk, vegetables and fruit, the smaller farmers have to go ever further into debt. Indebtedness in American agriculture is growing. Today it is measured not in tens, but in hundreds of thousands of millions of dollars. Every year farmers spend many millions just paying the interest on these debts. Many small farmers mortgaged their land long ago, and now any sudden worsening of the situation means automatic bankruptcy for them.

Typically, in the countries of Western Europe where the industrialisation of agriculture began much later than in the USA, and where a more developed system of state regulation of the economy stood in the way of the mass ruin of small agricultural producers, this social group is not only maintaining its positions, but, in some countries (France, Belgium), is continuing to grow. From this point of view, the socio-economic model which is characteristic of Western Europe differs favourably from the American one.

The specific influence of inflation on farmers is also a peculiarity of their position. At the beginning of the 1980s, prices went up sharply on everything that farmers have to buy—tractors, combine harvesters, fertilizers and herbicides. For example, the price of an MD tractor went up \$1,500 in two years, and of a TD-9—by \$6,000. A combine harvester now sells for \$80,000, and the price of a ton of fertilizers has reached \$200. At the same time, unlike other entrepreneurs, farmers cannot pass on their increased costs to the American consumer: between them and the consumer there stand gigantic food industry and trade corporations, which exploit both the suppliers and the consumers. Suffice it to say that of the money spent by Americans on food products, just 20 cents of every dollar reach the direct producer. The rest goes into the safes of the intermediary corporations—the middlemen.

Any unfavourable change in weather conditions, then, can catastrophically increase the gap between agricultural costs and prices for agricultural produce. In 1980, for example, which was a difficult year characterised by a drought over much of US territory, farmers' production costs went up by 14 per cent, while the purchase price of agricultural produce not only failed to compensate for this rise, but actually fell by 6 per cent in comparison with 1979. As a result, farmers' incomes immediately fell by a third, and it became simply unprofitable to produce certain things, particularly grain.

The federal government has been cutting down its support for small farms in recent years. Firstly, government loans at low rates of interest, which used to support farmers, though slightly, during times of economic hardship, are being cut back. Secondly, government subsidies on all important crops which have guaranteed farmers from sharp fluctuations in demand since Roosevelt's time, are gradually being abolished.

Apart from that, the federal government sometimes uses agricultural produce as an instrument of various "sanctions" in the international arena. This not only restricts the possibilities for American agricultural exports, undermining faith in the USA as a supplier, but also causes sharp fluctuations in the prices for agricultural produce on the domestic market, which, in turn, further heightens the instability of farms.

The instability of agriculture influences the economic position of the USA in the most direct way. After all, two-thirds of the country's workforce is either directly or indirectly connected with the production, processing and distribution of goods and services which have some

connection with agriculture. Everyone who is engaged in supplying farms feels the annual fluctuations of agricultural production. The sale of tractors and fertilizers fluctuates accordingly, as does the level of employment in many branches of industry.

Will the small agricultural producers be able to overcome the present difficulties, or are we witnessing the decline of the traditional family farm, which is being forced out by the gigantic corporations of the agrarian business? It is still difficult to answer this question, but it is perfectly clear that without effective state regulation of agriculture, the difficulties encountered by small farmers will inevitably become worse as the overall effectiveness of agricultural production improves. Even if small farmers do not disappear completely as a social group, they will close ranks with "home-workers" even more in terms of their economic position and social status. Such workers are being more and more widely used in many branches of American industry.

"Class Partnership": the Beginning of the End?

The great American novelist William Faulkner was once invited to lunch by the President of the USA. To general surprise, he tersely declined, explaining to journalists that, if he had to travel six hundred miles to have lunch, he would rather do so at home.

Of course, the distance was not the point. By declining the invitation, the writer let it be known that, in essence, he and the President had nothing to say to each other.

Something like this happened at the 14th Convention of the AFL-CIO, the leading American union amalgamation, which took place at the end of 1981. For the first time in many years neither the President nor the Labor Secretary was present at the Convention. The executive committee had taken the unprecedented decision not to send them an invitation. There was nothing to talk about—the complete disparity between the policy of the Republican Administration and the interests of American union members had already clearly been revealed.

The 14th convention had a special, symbolic meaning for the AFL-CIO: it was during the convention that the hundred-year history of the American union movement was reviewed. This was an extremely difficult and contradictory history, full of rapid climbs and unexpected falls, with periods of embittered class struggle and, it would

seem, serene "social partnership". Throughout the 20th century the unions have been an extremely important element of the American socio-economic model, an element, which to some extent served as a counter-balance to big business, a guarantor against particularly malicious abuse on the part of the corporations. However, in recent decades, the positions of the unions have been badly shaken. Today they unite just one-fifth of the country's working people—less than in any other developed capitalist state. As far as the AFL-CIO itself is concerned, its ranks number around 14 million people, which is a million less than in 1955, when the American Federation of Labor (AFL) joined ranks with the Congress of Industrial Organizations (CIO).

Long-term development tendencies of the American economy work objectively against the cumbersome and awkward structure of the unions. The reconstruction of American industry, brought about by the processes of the scientific and technological revolution, leads to mass dismissals in metallurgy, engineering, and transport—in those industries where the positions of the unions were traditionally strong. At the same time, the efforts of the AFL-CIO to consolidate its positions in new, technically complicated industries and in the services sphere, and to attract the rapidly growing strata of blue-collar workers into their ranks, are in the majority of cases unsuccessful. On the other hand, there are geographic shifts of production going on, from the North and Midwest to the South and Southwest, where anti-union forces have particular economic and political influence.

The specifics of the American socio-economic model are such that the unions have never been the unifying centre of all working people in the USA (as, for example, in the majority of West European countries). The policy of the AFL-CIO, which even right-wing observers sometimes characterise as "conservative", has led to a significant part of the workforce, which is playing an ever greater role in the country's economy—women, young people, national minorities—remaining outside union organisations. As it has done before, the AFL-CIO is stubbornly trying to maintain the status of a closed club of "working-class aristocracy". There was a time when this was extremely convenient and even beneficial, but in modern conditions such a policy is fraught with the decline of the union centre's political influence.

But the main cause of the difficulties of the American union movement should indisputably be sought in the long-term strategy of American big business, which in the

last decade has launched the most frenzied anti-union campaign since the 1930s over the whole country. The economic difficulties of the late 1970s and early 1980s, the record inflation and unemployment figures, excessively high taxes, and the chronic balance of payments deficit were all blamed on the union movement by corporations and theoreticians and journalists reflecting the opinions of business, while the workers' fight for their rights was considered to be irresponsible and egoistic, supposedly hampering the recovery of the American economy.

Since the middle of the last decade, practically all the unions' attempts to strengthen or, at least, avert a weakening of their positions have invariably suffered failure. Thus, in 1977, Congress rejected a bill on the right of trade unions to picket a building site if the strike was called against one of its subcontractors. Soon after this the Carter Administration refused to support the unions' demands to revoke Article 14 (B) of the Taft-Hartley Act, which gives federal authorities the right to impede the attraction of workers into unions. The unions could not even secure the repeal of the Hatch Act, which prohibits workers in the state sector from participating in political activity. Later, they suffered yet another defeat: the Senate rejected a programme to reform the labour legislation, the essence of which amounted to the unions' being granted greater rights in the organisation of their branches at enterprises.

The unions' broad campaign to secure the repeal or, at least, a softening of the provisions of the anti-labour Landrum-Griffin Act, also ended in failure. This law is a long list of rules determining the internal life of the unions. It demands that they register their activity each year, and present a report on union elections to state bodies, as well as financial accounts, information on the earnings of union officials, and on entrance and regular membership dues, etc. The Landrum-Griffin Act (like the Taft-Hartley Act) prohibits people suspected of harbouring sympathies for communism from engaging in union activity.

The mechanism of interaction between the unions and the executive authorities also began gradually to collapse. At the end of 1978 the representatives of the unions—Deputy Secretary of Labor Robert Brown and assistant to the Secretary of Labor F. Birkheart—were turned out of the Labor Department without the unions being consulted. At the same time, and again without the knowledge of the unions, the government adopted a plan to combat inflation based on limiting the growth in earnings. Without putting any such limits on the rise in prices and corporation

profits, this plan reflected the White House's completely open desire to lay all the burdens of the economic crisis on the shoulders of the workers.

This time even the conciliatory leadership of the AFL-CIO came out with harsh criticism of the government's policy. All the largest unions of the USA declared their refusal to follow the provisions of the Administration's plan when concluding labour contracts with entrepreneurs. The government had to negotiate with union leaders, and these negotiations resulted in the National Agreement on the joint fight of the government and the unions against inflation.

The National Agreement was claimed by the Carter Administration to be a "historic decision", a "new era for the trade union movement", and the granting to the unions of the right to participate in the formulation of economic policy, etc. In actual fact, this "participation" only amounted to a foggy promise by the White House to "listen" to the opinion of the unions in exchange for their obligation to help limit the growth of earnings. The trade unions' recommendations were constantly violated. Contrary to their wishes, the White House began cutting back the most important socio-economic programmes, artificially slowing the rates of economic growth and raising unemployment. The law on national health care was not adopted, as the unions had wanted. The demands of the AFL-CIO for the introduction of a 35-hour working week as a way of increasing employment also remained on paper. Programmes for state financing of the construction of living accommodation were also shelved. Meanwhile, the unions remained officially obliged to support the government's economic policy.

The strengthening of conservative tendencies in the American social consciousness on the threshold of the 1980s further worsened the position of the unions. After the congressional elections in 1980, key positions in the most important committees—such as the Labor and Public Welfare Committee, the Judiciary Committee, and the Banking and Currency Committee—were in the hands of anti-union forces. Thus, Orrin Hatch who is considered by the unions to be the most anti-labour member of the Senate, became the chairman of the Labor and Public Welfare Committee. The Senate Judiciary Committee, of which Strom Thurmond, a convinced conservative, became the head, immediately adopted an extremely tough position regarding labour legislation and the protection of labour, beginning a new attack on the rights of the unions.

But, of course, the biggest blow for the union movement was the election of Ronald Reagan as President. The presidential election campaign of 1980 itself demonstrated the weakness of the positions of the union leaders. Irrespective of the fact that the top echelon of the AFL-CIO conducted an active campaign in favour of Carter, spending more than 20 million dollars to this end, less than half of all union members voted for his re-election. The elections demonstrated the deepening rift between the leaders and the rank-and-file membership, who decisively rejected the bankrupt economic course of the Carter Administration and, at the same time, the conciliatory policy of "constructive co-operation" being followed by the AFL-CIO executive committee.

Trying to win the trust of the new Administration, the union leaders hurriedly came out with loyal declarations. Lane Kirkland, the president of the AFL-CIO declared that the union leadership was ready to co-operate with the Administration in constructive efforts aimed at the solution of existing problems in the interests of the country and all its people.

When the Referee Puts His Gloves On...

The hand proffered by the unions was not taken. Breaking a tradition of many years' standing, the Republican Administration in actual fact rejected any talks with the AFL-CIO. In place of honourable "class peace", complete and unconditional surrender was demanded of the unions. Reagan demonstratively closed the White House to union leaders, access to which they had enjoyed since Eisenhower's time. Raymond J. Donovan, the Labor Secretary (who was, incidentally, the first person in history to be appointed to this post without representatives of the unions having been consulted) did not consider it necessary to consult the leaders of the AFL-CIO either. For the government the unions had become a factor which could completely be ignored.

The severance of links with the White House was not only a severe blow to the prestige of the trade union leadership; it also placed under question the very justification of the existence of a union centre. After all, contact with the White House was just about the most important task of the union bureaucracy. As is known, the AFL-CIO does not directly conduct talks with employers, organise strikes or conclude collective agreements—individual unions,

which make up the union centre, do all this. The AFL-CIO is concerned with politics, and has a lot more to do with the government than it does with employers.

In fact, at the beginning of the 1980s, the American government renounced the traditional practice of being an "unbiased arbiter" between the unions and business, decisively taking the side of the latter. This signified an extremely important and far-reaching change in the whole socio-economic model of the USA, in which, as in the political system, the principle of "checks and balances" plays a major role.

Throwing down an open challenge to the unions, the Reagan Administration cut back broadly on federal expenditure. This cutback encompassed education, health care, civil servants' pay, unemployment benefits, food assistance to the indigent and children from poor families, aid to towns, etc.

In coalition with the Republicans and conservative Democrats, the Administration carried a number of bills in 1981 directed against the unions and American working people as a whole. In particular, the programme was scrapped for creating jobs in the community service system, as were a number of job placing and professional study programmes. Help to families in need was also cut back. More than a million people lost food coupons, and monetary allocations to states for the Medicaid and Medicare programmes were reduced.

On the social level, all these measures have one very important aspect. The Republicans' economic programme does not only hurt in town slums, Black ghettos and depressed regions, but also in the quiet suburbs of the well-off "middle class", and in the cottages of the "working-class aristocracy". In worsening economic conditions coupled with a never-before-seen growth in military expenditure and tough competition from West European and Japanese companies, it is becoming ever more difficult for American business to agree even with the upper echelons of the American working class. For this reason, the once infallible mechanism of "class co-operation" is faltering more and more often, and it is becoming more and more difficult for the union leaders to avoid choosing sides between the employers and the workers.

The White House's unusually harsh reaction to the nationwide air traffic controllers' strike, which was called in August 1981, particularly bears witness to the principally new form of relations between the federal government and the unions. From the point of view of existing legislation, the strike was illegal: air traffic controllers,

as civil servants, had no right to take such action. But for them the strike was the last chance to improve their conditions of work: all efforts to come to a peaceful settlement with the administration had resulted in nothing. Making use of the circumstances which had arisen, the Reagan Administration acted with the utmost decisiveness: the Air Controllers Union was dissolved and the vast majority of its members dismissed without the right of subsequent reinstatement or placement in the system of American federal institutions. They also lost their pension and medical insurance rights, and criminal proceedings were instituted against the 72 leaders of the strike.

Of course, such actions have been taken before, but they were usually seen as a last resort acceptable only in times of a critical economic situation in the country, and were used only in respect of those leading branches of industry whose inactivity could result in a national catastrophe. In the case of the air controllers, the White House, having demonstratively refused to seek a compromise, actually declared its intention to change the "rules of the game" in the socio-economic sphere in the direction of a tough confrontation.

The worsening of the unions' positions continued in 1982. Congress once again did not approve bills which the unions were insisting upon. The examination of questions of overtime pay rises for engineers, technical and administrative personnel at enterprises fulfilling federal contracts was also set aside. Instead of the 22,600 million dollars which the AFL-CIO believed necessary to solve the unemployment problem in 1983, Congress assigned just 4,600 million to this end. The unemployment benefits fund was reduced, as were subsidies to people who had lost their jobs as a consequence of foreign competition. The permissible limit on pay rises for employees of federal institutions was halved to 4.8 per cent in 1982, and, finally, the Dervice-Baycon Act, which was passed as early as 1931 and allowed a relatively high level of remuneration to be maintained for building work financed by the government, was repealed.

The ever more widespread use by employers of "consultants" for the fight with the unions became a new reality of American socio-economic life at the beginning of the 1980s. According to AFL-CIO figures, more than a thousand "consulting bureaux" are at present operating in the United States (some of them have a very large workforce), which help businessmen to avoid the unions, undermine their influence or use legal loopholes to shirk their obligations under collective agreements. These "consul-

tants" hold seminars, to which many entrepreneurs throng. For a fee of \$500, exhaustive information is given on how to be "freed" of the unions.

There is also another, more subtle policy of undermining the real force of union organisations. A number of corporations create a lot of commissions and committees for the unions, consult with them and seek advice on questions of production which are not a matter of principle. In this way the "effect of union participation" in the taking of decisions is created, their independence is fettered, and they become the junior partner in any success and the senior partner in any failure of the corporation.

During 1982-1983 new long-term collective agreements affecting several million people were concluded in a number of branches of American industry. They became the corroboration of the further weakening of the unions' positions. In these agreements, as a rule, the unions used to secure a definite rise in real wages, but at the beginning of the 1980s, they had to make do with maintaining pay at a more or less stable level. Today the question is, by how many per cent will real wages be reduced in the near future, and how low will the workers' standard of living fall? In other words, it is not a question of attack, nor even defence, but of a possibly more systematic and organised retreat from the present positions.

The Working-Class Movement at the Crossroads

What are the possible ways of overcoming the crisis which has arisen in the American working-class movement in recent years?

The first, most natural and simple way for labour union leaders is to recreate the conditions which existed throughout the 1960s and for most of the 1970s. The leadership of the AFL-CIO took precisely this path, trying to force the Reagan Administration to take the interests of the union centre into account. For this, traditional means of political propaganda are used, millions of bulletins, letters and leaflets criticising the White House's economic policy raining down on Americans' heads. "Revolutionary" rhetoric comes into fashion again, such terms as "the class struggle", "exploitation", "the diktat of the monopolies", and "the anti-popular course of the White House" creeping into the speeches of union leaders. Then they go over to demonstrative action. Thus, there was a loud campaign in the press against Labor Secretary Donovan, accusing

him of having business contacts with the Mafia.

Political propaganda, however, is a double-edged weapon. Criminal proceedings were not instituted against Donovan because of a lack of evidence. In reply to the propagandist efforts of the AFL-CIO, the White House organised a broad campaign in the press to discredit the union bureaucracy. They said (and not without reason!), that the union bosses had long since lost contact with working people, were lining their own cupboards, thinking only of their own well-being, and were completely unable of proposing any constructive alternative to the government's economic programme. At the same time, numerous cases of corruption, embezzlement, extortion, misappropriation of union funds, and the moral breakdown of union leaders were revealed. It was pointed out that they themselves quite often co-operate with gangster syndicates. There was more than enough material—after all, over the last seven years alone, around 450 high-ranking union officials have been put behind bars. In a word, it would hardly be possible to renew the game “by the old rules”. There is neither the political potential, nor the corresponding moral authority for this.

The second path open to the American union movement is to broaden links with the Democratic Party, with the prospect of becoming its constituent part.

The unions sometimes used to support the Democrats; but on the whole the policy of neutrality between the two leading American parties was more typical of them. At the moment, however, the unions' contacts with the Democratic Party have reached a qualitatively new level of development. By the time the AFL-CIO came to its 14th Convention, it had 15 representatives in the party's national committee, and a further five in the executive committee. For their part, the leaders of the Democratic Party had shown great interest in co-operating with the unions. The Democrats adopted a decision to set up a special union committee including representatives of the AFL-CIO. And it was not by chance that the most influential members of the Party—Senator Edward Kennedy and former Vice-President Walter Mondale—were present at the convention and made sharp anti-Reagan speeches.

Such a path promises far more trouble for the White House than propaganda campaigns. Demagogic resolutions leading to calls to “close the ranks”, to abstract demands to “guarantee economic fairness” and to pathetic attacks on the “diktat of the monopolies” are one thing, and the prospect of creating a socio-political coalition directly opposing the Republican Party is something comple-

tely different.

However, a strategy of this sort conceals within itself dangers for the unions themselves. Is not its logical conclusion the total loss on the part of the unions of their political independence, their conversion into an appendage of the Democratic Party? And then, did not the Carter Administration show that the aims of the Democrats and of the unions do not always coincide? The tactical successes achieved in close alliance with the Democratic Party could easily turn into strategic defeats.

Finally, there is a third path the American unions can take—the path of fundamental restructure, of the rebirth of the American union movement, its democratic and revolutionary traditions. The grandiose demonstration against the economic and social policy of the Reagan Administration, which took place in Washington in September 1981 and in which around half a million people took part, tells that a return to mass political actions is not a Utopia. This was the largest demonstration ever to have been organised by American unions.

Of course, in the opinion of the AFL-CIO leaders, a path such as this does not lack a certain risk: an increase in the activity of the masses can also shake the position of the union centre, shaky as it is, particularly if the union movement actively includes national minorities, young people, women and other extensively exploited social groups. It is clear that the inevitable radicalisation of the working-class movement in America will, to some extent, undermine the traditional positions of the labour union bureaucracy which has long since abandoned leadership of public movements. But, all the same, the times of serene prosperity have already irrevocably passed for the union leaders, and the only alternative to radicalisation is to transform the American unions into a simple cog-wheel in the state-monopoly machine.

The American Economy on the Threshold of the 1980s

The 1970s became a severe test for the American economic system. The decade started with one economic crisis, there was a second in the middle, and it finished with a third. Movement from one crisis slump to another through short-lived periods of revival in the economy bore witness to the serious malfunctions in the mechanism of cyclical development of the economy, which had functioned by fits and starts, but, relatively successfully, in the

post-war years.

The situation whereby the enormous overproduction of commodities which took place during the crises was for the first time accompanied not by a fall in prices, as before, but by their swift rise, also became an important peculiarity of the 1970s. As early as during the crisis of 1969-1970, wholesale and retail prices in the USA had a tendency to grow, and in 1974-1975, the average annual rate of price increases was 10 per cent. This level was exceeded during the crises of 1979-1980 and of 1982-1983.

Throughout the 1970s, the main indicators of economic development in the United States differed sharply from the "successful" ones of the 1960s. Thus, the lowest level of unemployment in the 1960s was 3.5 per cent; in the first half of the 1970s it was already 4.9 per cent, and in the second half of the decade—5.8 per cent. And this is without taking into account the growth in the overall number of work places in 1970-1979 (a rise of 12 million). The official definition of full employment was twice revised in the 1970s. While at the beginning of the decade there was considered to be "full" employment in the USA, and unemployment did not exceed 3 per cent of the able-bodied population, in the middle of the decade this figure had risen to 4 per cent, and by its end—to 4.8 per cent.

The growth of inflation was even more significant. In the 1960s prices rose, on average, 2.8 per cent a year in the USA, whereas in the 1970s this figure grew to 7 per cent. Moreover, in 1979 prices grew by 13.3 per cent. The new economic reality—a combination of slump with galloping inflation—was given the apt title of "stagflation".

Such phenomena were, to some extent, typical of the economies of all the Western countries. They all felt the consequences of synchronising the economic cycle, and they all faced a sharp rise in the price of oil and other raw material resources. It was, however, precisely the American economic model which was most vulnerable in the face of these shocks. The share of the USA in world capitalist production had been steadily declining throughout the 1970s. The USA was the indisputable economic leader of the West at the beginning of the decade, but the countries of Western Europe had already far outstripped it by its end (by 31 per cent). At the beginning of the decade, the standard of living of Americans was higher than in all other Western countries, whereas by the end of the 1970s the USA had fallen to fifth place amongst the countries with the highest standard of living.

America's marked lag behind her main competitors in labour productivity growth became particularly worrying. Throughout the decade, rates of growth of labour productivity in the USA were three times lower than in France and West Germany, and four times lower than in Japan. Moreover, in 1974, 1979 and 1980 a definite fall was seen in the productivity of labour. In the 1970s, there was an abrupt abridgement of the "technological breach" between the USA and its competitors in a number of key industries, and in some areas it was even liquidated. In fact, the USA lost its previously indisputable leadership in such areas as the motorcar industry, home electronics, scientific equipment, the steel and shipbuilding industries, and rail transport.

As a result the country lost 23 per cent of the world trade markets it used to hold, which was reflected in an annual shortfall of 125,000 million dollars and the loss of two million jobs. The domestic market of the USA also ceased to be the exclusive sphere of activity of American corporations, and was flooded with goods not only by the monopolies of the EEC and Japan, but also by Singaporean, Taiwanese, Hong Kong and South Korean companies. By the end of the decade the country was importing 15 per cent of its steel, 30 per cent of its cars and 50 per cent of home electronics, which resulted in chronic trade balance deficits and a weakening of the dollar on international currency markets.

The growing inability of the federal government effectively to use the mechanism of state regulation of the country's economic life also bore witness to the build-up of long-term crisis phenomena in the American economic model. This helplessness on the part of the White House manifested itself particularly clearly during the years of the Carter Administration.

The country was just beginning to come to after the harsh economic crisis of 1974-1975, when the little-known Democrat from Georgia became a threatening rival of President Gerald Ford. In these conditions, Carter used America's economic problems as an important argument against the Republicans. Criticising the economic policy of the Ford Administration, the future President set himself the target of reducing unemployment to 4 per cent. According to his plan, the rate of inflation also had to be reduced to a similar level. At the same time, the Democrats promised to balance the federal budget by 1980 without, however, rejecting broad socio-economic programmes and plans to carry out a radical reform of the federal taxation system. Apart from all this, the Carter

Administration proclaimed a course to increasing the rates of economic growth, improving the effectiveness of the American economy, and also bettering the conditions of American foreign trade.

In this way the Democratic Administration, like its predecessors, ran up against the riddle of the "magic quadrangle" (the need simultaneously to move towards four goals: full employment, stability of prices, rapid economic growth, and an equilibrium of the balance of payments). Under the existing American economic system, however, movement towards one of these goals inevitably postpones the attainment of the remainder.

For example, the Administration declared unemployment "Enemy Number One". However, a series of measures aimed at improving the employment situation, which were taken by Carter at the very beginning of his work as President, allowed a sharp increase in inflationary processes. The President then tried to restrain inflation, allowing a certain slowing of the rates of economic growth which, in its turn, quickened the country's creep into the new economic crisis of the end of the 1970s and beginning of the 1980s. And in conditions of economic crisis the unemployment indices grew again. As a result, towards the end of the Democrats' period in power the level of unemployment had reached 7 per cent, while inflation stood at 13 per cent.

A similar contradiction of the Democrats' policy also manifested itself in respect of the federal budget. On the one hand, government plans envisaged a broad development of socio-economic programmes, and an increase in aid to the poorer sections of the American population. But the very first, somewhat modest attempts to realise these plans ran into the unprecedented growth of the federal budget deficit, and the government had to cut back on a whole series of social programmes, including expenditure on education, professional and labour training, job provision, house-building programmes, etc.

It was typical that, beginning its activity in the spirit of the classical liberalism of the Democrats, towards the end of its period in power the Carter Administration was coming ever closer to the conservative positions of the Republicans. In trying to cope with the growing economic difficulties, the White House time and again called on Americans to make "strict economies" as a radical way of fighting inflation. During the 1970s "strict economies" became a habitual way of life for American workers, and the government again and again demanded "voluntary" limitations on pay rises, without proposing any sort of

control over corporation profits. In this way the fight with inflation was shifted onto the shoulders of those who were least of all able to bear it.

Without dwelling on this question at great length, we would mention that, while calling on Americans to make "strict economies" and showing a degree of miserliness as far as socio-economic programmes were concerned, the Carter Administration, particularly at the end of the 1970s, displayed striking extravagance in military expenditure. (This extravagance, it seems, was particularly unscrupulous if we remember that during his election campaign, Carter promised to reduce the Pentagon's budget by 5,000 million dollars to 15,000 million dollars.) To a considerable extent, the unprecedented growth of the military budget prevented Carter from fulfilling his election promises. Does not military expenditure lead to a chronic deficit of the federal budget? Does it not swallow up resources which could be directed into socio-economic development? And does it not increase inflation and the cost of living?

The 1970s did not only result in the disappointment of Americans with the economic recipes based on state regulation of the economy, but also in growing disappointment in the actual concept of economic growth, and the abandonment of the cult of progress, which was traditionally preached by liberal Democrats.

The optimistic prospect of the flourishing "Great Society", which was produced in the research of past decades did not stand the test of time. Life passed by this rosy illusion. Moreover, it placed America before a new complex of contradictions, which, essentially, had gripped all sides of her economy. Even at the end of the 1980s we shall find the majority of American sociologists and economists in search of new ways of rendering the economic system more healthy as it is part and parcel of the "American model".

Here it is characteristic that the adherents of state regulation of the economy, who used to fill the role of prophets of economic growth, are ever more frequently calling the salutariness of this growth into question, holding that it often does America more harm than good. Such unpleasant phenomena of the modern economic model of the USA as inflation, unemployment, the ecological crisis and the unevenness of development between individual regions of the country were simply ignored in recent descriptions of "industrial" or "post-industrial" America (in so far as it was suggested that if economic growth was sufficiently high, this would itself free the

United States from all these evils); now they are thoughtlessly derived directly from economic growth and scientific and technical progress.

The supporters of "balanced" growth use this kind of new release of economic determinism extremely actively, pushing the negative consequences of economic development to the forefront and presenting things as though the ugly nature which economic progress takes on under capitalism is inherent not in capitalism, but in economic progress itself.

Many sociologists, if not the majority of them, express their disappointment in economic growth and the futility of banking on the development of science and technology solving the painful problems of American society. Many ask, to what extent are the current economic problems of the USA the result of rapid and uncontrolled economic development in past decades? And an ever greater number of liberal economists are appealing for the state mechanism to be used not so much to increase economic growth at any price, as to "harmonise" and "restrict" it, for a "transfer from quantitative to qualitative growth", or, otherwise, for a restriction of any economic growth at all. In place of the optimistic forecasts of the beginning of an era of "mass consumption" and "general welfare" there are ominous prophecies of an "ecospasm", economic chaos and ecological catastrophe.

It must be recognised that the "anti-technocrats" draw attention to problems which really are extraordinarily important and have resulted from the modern economic model of the USA. In so doing they also offer numerous interesting opinions. However, the concept of "limited economic growth" is, on the whole, completely unrealistic and does not correspond to the conditions by which the American economic model operates. After all, in conditions of capitalist competition and the chase for excess profits, no limitation whatsoever (not to mention a freezing!) of the growth of production is conceivable, and, anyway, the corporations would not allow it, since without the accumulation of capital, they cannot exist. Apart from that, the concept of "limited economic growth" is reactionary in that it proceeds from the need to freeze the existing social status quo and offers the workers nothing more nor less than making additional material sacrifices in the name of stabilising the economic system of the USA—a rise in unemployment, a reduction in consumption, and a general fall in the standard of living. Of course, in any variation of the "harmonisation" of the economy, these sacrifices will in the first place lav

on the shoulders of the poorest sections of the American population. American economists, after all, make no secret of the fact that "strict economies" can mainly be achieved at the expense of reducing consumer demand as a result of restricting the use of certain goods, chiefly by purposefully lowering the purchasing power of the population.

On the other hand, the innovations offered by the "anti-technocrats" essentially leave everything as before as far as the foundations of the capitalist economic system are concerned. They go no further than certain additional regulations governing the activity of corporations, and good, but impractical wishes to "heighten the social responsibility of business". Here, as before, the token of healthy economic growth is considered to be the provision of the corporations with optimal conditions to achieve a high norm of profit. Naturally, from the point of view of the interests of all society it is an impractical task to bring about "balanced" development in a system in which profits serve as the guiding principle in all important economic decisions.

Thus, by the end of the 1970s, the economic programmes advanced by liberal Democrats and aimed at the further broadening of state interference in the economy had exhausted their constructive potential: they were unable to provide for the continuation of a sufficiently stable and rapid rate of economic growth, and, at the same time, could not put forward any constructive alternatives. What is more, the very rightfulness of state interference in the economy began to be called into question.

"Reaganomics": Its Potentialities and Limits

At the beginning of the 1980s, when half a century had passed since the Great Depression and the New Deal, a new wave of interest arose in the United States in the work of Franklin Delano Roosevelt. Observers emphasised that, entering the White House in 1981, Ronald Reagan had inherited the most perilous economic crisis since Roosevelt was President. Economists almost unanimously spoke of the need radically to restructure American industry on a scale similar to that of the New Deal. Reagan himself constantly appealed to Roosevelt's remarks as he would to a wise and far-sighted statesman.

This was all completely understandable. The economic position of the USA at the beginning of the 1980s could not but provoke anxiety: inflation was being measured

in double figures, the productivity of labour was hardly increasing at all, and the competitiveness of American goods on international markets was steadily declining. Around 90 per cent of Americans believed that the economy had "gone seriously off course" and that the need for radical changes was becoming imminent.

The paradox lies in something else. Reagan's economic programme was a most decisive departure from the principles of Roosevelt's New Deal, which had more or less consistently been implemented by the preceding eight presidents of the USA. All of these tried to solve the country's domestic problems by strengthening state regulation of the economy and gradually broadening the role of the federal government in the social life of American society. It was against this that Reagan decisively came out. His Administration banked on a return to the classical concept of a "market economy", which proceeded from the need to provide private enterprise with the maximum "free hand" and severely limit state socio-economic programmes.

The Republican' economic platform, in the shape in which it had been formulated for the 1980, contained three main elements.

Firstly, a significant lowering of taxes—both personal and on corporations—is an indispensable condition of "Reaganomics". Reagan came out in support of the Kemp-Roth Bill, which proposed implementing a general reduction in tax rates by 30 per cent in three years. The adoption of this bill would allow personal taxes to be reduced by 141,000 million dollars by 1986. Apart from that, the Republicans supported a sharp reduction in taxes on corporations—by 60,000 million dollars by the middle of the decade. On questions of the economy, Reagan's advisers maintained that these measures would stimulate accumulation and encourage new capital investment, which would quicken the rates of economic growth, create jobs and facilitate a general recovery of the US economy.

If, however, this reduction of taxes is not going to be accompanied by an identical dollar-for-dollar reduction in federal expenditure, the federal budget deficit, which was being measured in tens of thousands of millions of dollars by the beginning of the 1980s anyway, will grow to astronomical proportions. And in an unstable economic situation, this could whip up inflation even more and bring any economic rise to naught. Therefore, a radical reduction of expenditure on federal programmes encompassing literally all areas from "outer space to the mailbox" became the second most important point in Reagan's economic programme. In the Republican Admi-

nistration's very first budget, harsh reductions were planned in social security programmes (by 17,800 million dollars), education and professional training (11,700 million), protection of the environment (5,700 million), transport (5,000 million), and energy (3,100 million). In all, reductions in federal programmes are to reach 124 thousand million dollars by 1986. This means that the share of federal expenditure in the American national product must fall from 23 per cent at the beginning of the decade to 19 per cent by its middle. It is essential to bear in mind that this cutback includes a rapid rise in American military expenditure, which is to grow by more than one-and-a-half times over five years. The actual reduction of non-military programmes will thus be considerably greater.

Finally, a restructuring of the whole system of state regulation of the economy, or, more precisely, a partial destruction of this system, became the third most important element in Reagan's economic programme. The Republicans came out in favour of abolishing all measures of control over wages and prices, and the authorities of the Federal Trade Committee, which solved disputes connected with the application of antitrust legislation, also suffered restrictions. Finally, the government decided to reorganise the work of the Environment Protection Agency in order to soften its harsh demands, which were too expensive for businessmen. In future, whenever any federal department wishes to introduce a regulation which will cost entrepreneurs 100 million dollars or more, it will have to prepare an analysis of the possible expenses and advantages. The final decision will be taken by a special governmental group.

It was simultaneously proposed to implement a number of other, special programmes. In particular, the Reagan Administration supported the transfer of regulatory functions (in those areas where state interference was still inevitable) to county and state authorities. Besides, "Reaganomics" envisaged sharply stimulating scientific research and R & D work in the private sector in particular, and a strengthening of the dollar on international currency markets.

Such, briefly, is the "new deal" offered to the American people by the Reagan Administration. The social thrust of this "new deal" does not arouse any doubts. In trying to lessen social antagonism, all the previous presidents from Roosevelt to Carter had had to make certain socio-economic concessions to the poorest groups of the population, and had used the mechanism of the federal government to this end, whereas the Reagan Administration to a considerable extent refused to use this mechanism and

stood firmly on the side of big business.

The Republicans held that a reduction in taxes was beneficial both to the poor and the rich. However, the full realisation of their programmes would lead to a situation whereby the portion of income to be paid as tax by those in the lowest taxation categories would fall by just 4 per cent, at the same time as the reduction for those with the highest incomes would be 20 per cent.

The Republicans maintained that the unpleasant consequences of the reduction in federal programmes were to be spread evenly among all strata of American society, but it is impossible to hide the fact that, even in this case the main casualties will be those with low incomes. It is precisely the workers who suffer from a cutback of funds to subsidise the construction of housing, food and health care programmes, employment and professional training.

The Republicans asserted that they would be able to ensure the creation of new jobs and a reduction in unemployment. However, one of the first acts of the new government was to dismiss hundreds of thousands of civil servants who were no longer needed after a number of major socio-economic programmes had been abolished. What is even more important, the credit, financial, tax and budgetary measures of the Reagan Administration give an incentive to those companies which increase the productivity of labour and decrease the workforce they employ. The broad state programmes of professional training and job-placing in the spirit of Roosevelt's New Deal, and the long-term prospects for employment look gloomy. According to American economists' calculations, the modernisation of industry, which the Administration supports, will cost the American people roughly 10 per cent of all jobs.

Of course, the American monopolies also lose something from the reduction of some government social and economic programmes—a number of profitable orders, subsidies, etc. But they gain immeasurably more on account of the reduction in taxes on profits, the increase in military orders, the relaxation of environment protection regulations, and the softening of antitrust legislation. It was no accident that already during the 1980 election campaign the press christened Reagan the "populist of businessmen". Immediately after his victory the shares of the largest companies on the New York stock exchange leaped almost 50 points—something which does not happen too often on Wall Street.

If "Reaganomics" were fully implemented, it would mean a radical reorganisation of the American economic

model, but also, at the same time, the social disintegration of America. This, however, has not occurred. The point is that every one of the goals set by the Administration has run into serious obstacles, both of a social and of a purely economic nature. For example, despite the fact that a significant part of Americans decisively supported the idea of reducing state control over the economy (this was a kind of reaction to the unjustified hopes of the "Great Society"), public opinion in the USA opposed any significant reduction of concrete programmes. Moreover, in conditions of the existing world capitalist market, any significant limitation of a nation's economic activity is not to be relied upon. Of all the industrially developed capitalist countries, state regulation is least developed in the USA, and its further significant limitation could lead to the country's foreign trade being undermined.

After all, a lot more expenditure is required for the "re-industrialisation" of America. Thus, the elaboration of ways of economising on energy and of mastering alternative sources of it is annually to consume 100 thousand million dollars for ten years. Measures to modernise transport, including the restoration of motorways and the railways, and the construction of ports and pipelines will add a further 20 thousand million to this figure. Forty-eight thousand million more have to be found to increase the proportion of capital investments from 10 to 12 per cent of GNP (in West Germany and Japan this proportion is correspondingly 15 and 21 per cent). Research and development and the increase of their share in the GNP to 3 per cent, trade protectionism measures, and the stimulation of the growth of the productivity of labour will bring the overall total of essential expenditure up to 200,000 million dollars a year within ten years.

Of course, the private sector could take on the financing of all these programmes by using the resources freed as a result of tax advantages granted to corporations. However, as the experience of the last decade shows, when, incidentally, taxes on corporations were by no means excessive (after allowing for taxes, corporations' profits grew, at current prices, from 41,000 million dollars in 1970 to 143,000 million in 1980), the additional financial resources received by the corporations are usually channelled not into risky, long-term "re-industrialisation" projects, but into areas where profits are guaranteed. They are either used to absorb other companies, or to invest capital abroad, which ensures a higher level of profits. To the same extent, the Administration's proclaimed aspiration to rely more heavily on local organs of power in practice easily turns

into opposition to itself, in that financial and material resources and personnel are transferred from the state to the private sector. In actual fact, it would be the utmost naivety to suppose that an individual state or local community could control a corporation with a much larger scale of operations.

In practice, "Reaganomics" has not expressed itself in the abolition of state regulation of the economy, but in the adaptation of some of its forms and the shifting of stress from some programmes to others in order once again to guarantee the American economy high rates of growth, even at the cost of deepening social contradictions. Economic growth, whether it be natural and unproportional, or even dangerous from the point of view of social prospects, has become the main slogan of the Reagan Administration. If, a few decades ago, economic growth was for liberals the magic formula refuting the suspicions of the elite that state interference in the economy undermined the foundations of the American economic model, then in the 1980s the slogan of economic growth allows the conservatives to deflect the voters' suspicions that "Reaganomics" essentially means the total omnipotence of the monopolies.

It is as though the economic positions of American liberals and conservatives have changed places: during the post-war economic rise, the liberals believed in the "Great Society" and the conservatives called for caution; now, during the ebb of this wave, the conservatives are talking of the need to give the economy free rein and the liberals are warning of what this will cost.

The changing of these roles characterises in the best possible way the growth of crisis tendencies in the American economic model. When economic growth is seen as an alternative to the solution of urgent social problems, and social needs are subordinated to the aim of guaranteeing the maximal norm of profit, an economic rise can be neither stable nor protracted. "Reaganomics" could, of course, at some time lead to an improvement in the economic situation. But it is certainly not a panacea as the Republican Administration's theoreticians often try to prove. Rather, it is a peculiar doping which, in the long term, will only exacerbate the existing problems. Moreover, there is every reason to hold that the long-term crisis phenomena in the American economy will be all the more quickly exacerbated the more feverish the attempts are to overcome short-term economic problems.

The evolution of the "American model" of development in recent decades has been extremely noteworthy.

On the one hand, the "American model" step by step lost its exceptionalism, which was the result of special geographical conditions and specific historical and political factors, and it now has to compete on an equal footing with the West German and Japanese "models". Moreover, the particularly favourable conditions which took shape in the past for the "American model" to operate now often turn against the United States: the "American model" is too wasteful, insufficiently flexible, and poorly adapted to the sudden jumps in the economic situation.

On the other hand, the "American model" remains, as before, exceptional from the point of view of its realisation of the economic principles of capitalism. Nowhere is the principle of "free enterprise" valued so highly (nor interpreted so literally) as in the United States. The American monopolies remain the most powerful in the world, and state regulation of the economy remains minimal, even by Western standards. The organised working-class movement, which in many West European countries is an effective counterbalance to the influence of big business, is, as before, weakly developed in America. For this reason the outstanding achievements of modern capitalist civilisation, as well as its ineradicable defects, have been fully reflected in the "American model".

But, despite the despairing efforts of the conservatives to maintain the inviolability of the "American model" and not to depart one iota from the sacred principles of "free enterprise", the US economy fits less and less into the narrow framework of the "American model". The oil business has already been operating outside these limits for some time, developing according to its own rules. The military-industrial complex is also outside the framework of the "American model", forming its own economic and political rules, its own "rules of the game". The new problems facing America today—problems such as the protection of the environment, a fundamental reorganisation of the infrastructure, a reorganisation of the education system, and the overcoming of the town crisis, etc.—are also throwing down a challenge to the usual economic mechanisms of the "American model".

Will the United States be able quickly and effectively to reorganise its economic model and bring it into line with the new needs? This question has more to do with politics than with economics. To restructure the "American model", major decisions of a political nature, a decisive break with the traditional ideological stereotypes, radical social reforms, and a severe political struggle are necessary. This will be discussed in the next chapter.

Chapter III

POLITICAL OUTLOOK

Revisiting America. How It All Started. The Plans of the Founding Fathers. The Credibility Gap. Has Congress Grown Obsolete? Elections and Money. On the Way to a Society Under Surveillance. The Red Tape Monster. Decentralisation of Power or Disintegrating America. Erosion of Political Traditions. Demopublican Coalition. Two-Party Monopoly. On the Other Side of Political Vacuum. A Threat from the Right. Political Change is Coming.

In our dynamic epoch the societies, using ever better means of communication and wondering at new and almost fantastic discoveries in science and technology, are confronted with yet another momentous task of governing the increasingly complex social relations.

A long time ago Aristotle defined man as a "political animal". Over the centuries that have passed since then the forms of political life have changed and new social forces have emerged. But wars are still waged in the world today, as thousands of years ago, corruption is still present in politics, and private interests conflict with those of society.

The political system, which is the centre of public life in modern America, reflects all contradictions of US society. It helps to resolve some of the social problems, while being helpless to solve others, and is itself a source of more problems. The outcome of the struggle being waged within this system is to decide who is to determine the future of America and what this future is going to be.

This chapter will deal with the political system of the United States, and with the advantages and disadvantages of applying the American political model in other states.

To understand the US model of a political set-up one is to know how political relations are organised in the United States; what role is played by the state, political parties, organisations and movements and whose interests they speak for; what ways and forms of the development of political democracy exist there; and, last but not least, how the political awareness of the nation is evolving.

We should like to examine the US political model in the process of its development: to review the time of the Founding Fathers, when it was only beginning to take shape, and to look into the near future. What political life in the United States will be like at the turn of the third millennium? Will the political organisation of American society become more perfect or more confused? How are the policy, its methods and means changing? And does this cause a change in its class essence?

We shall try to discern in political practice future long-range tendencies of America's political development, and to

show the extent to which the American political experience, ideas and programmes can possibly be used by other cultures and peoples.

Revisiting America

On May 9, 1831, two French aristocrats, Alexis de Tocqueville and Gustave de Bomond, landed in Newport in Rhode Island state after forty days of sea travel. The head wind had prevented the ship from reaching the New York Bay. The purpose of their visit was to study "American democracy" and the political institutions being established in the United States. The book *Democracy in America*, which was written after the visit, became widely known and was translated into many languages. What was Tocqueville's view of the political system in America more than one-and-a-half centuries back, when the US population was 13 million and New York was inhabited by merely 200,000 people?

Having studied the US election system, the forms of political representation, the operation of the division of power principle and the work of the supreme legislative and executive bodies, Tocqueville stated that some of the principles originally introduced by the Founding Fathers in the political set-up of the country had changed and some degenerated on their way to implementation. In his opinion all that had been caused by the large number of conflicting political parties (which he regarded to be an evil inherent in a free form of rule), by the practice of election campaigns which threw the nation in turmoil for long periods, by the activities of the President who for a large part of his term in office ruled not in the interest of the nation but with a view to being re-elected, and by many other political principles and institutions.

Alexis de Tocqueville also noted the novelty of the American political system, and that it was free from the feudal and aristocratic elements typical of the political systems of European countries at that time. We shall refer later in this book to apt remarks by Alexis de Tocqueville, an expert witness who visited America at a time when its political institutions were still young, to find out the specifics of "American democracy" and to see whether it could be understood and accepted by people of other political traditions.

Having arrived in the United States 150 years after Tocqueville's visit, we saw a large and intricate political machinery which is perhaps equally the source of pride and an object of criticism to Americans. One immediately notices that economic problems and processes are increasingly in the focus of political controversies and disputes,

that the relationship between domestic and foreign policies is growing, and the political process in the country is obviously influenced by world developments, while the political struggles there affect the role and prestige of the United States in the world.

However, we shall have a chance to examine modern political realities in the United States later. But meanwhile the question we ask ourselves is: what will a visitor to America see in a hundred years, and how do Americans themselves visualise the political future of their country in the 21st century?

Gerard O'Neill, a professor of high-energy physics at Princeton University and a well-known futurologist, writes in his essay *America in 2081* that within the next one hundred years the development of American society will be determined by automation, computers, colonies in outer space, new sources of energy, and new means of communication. The colonies would probably be scattered far and wide in space, be small in size and easy to control, he writes. There would be no reason for them to be linked with some large and remote bureaucratic apparatus of power, he goes on. Decentralisation of political control in the manner of space colonies will be widespread in the next century also here on Earth. On the whole, the most important change, in political terms, will be reduced communities. This means, writes O'Neill, that all institutions of mankind would be able to function better, as is normally the case whenever fewer people are involved. Groups of ten thousand of people, for example, can well live without war and crime. It is only when millions are involved that problems like crime and loss of individuality crop up.

People will have much more time and opportunity to participate in the work of "voluntary public organisations" which will assume far broader public functions than today. In conclusion O'Neill warns that the picture of the future, as he sees it, does not include basic social changes. Various countries will still be there, and wars will be waged. The spectacular technological changes at the early stage of the industrial revolution will continue in the next one hundred years. But, he says, there will be cautious moves ahead, not radical discoveries.

Alvin Toffler, the author of futurological bestsellers *Future Shock*, *Ecospasm* and *The Third Wave* widely read in the world, believes that America will be the first country to meet the "wave" of coming change and to show the rest of the world how one is to adapt to that "wave". Making a daring and exciting journey into the future, the US futurologist concludes that the chief social contradic-

tions present in the world today will inevitably remain in the future in which America will be the first country to live. "Class conflict, racial conflict, the conflict of young and old against what I have elsewhere called 'the imperialism of the middle-aged', the conflict among regions, sexes, religions—all these continue. Some, indeed, will be sharpened," he writes. But a new contradiction comes to the fore, diverting attention from these conflicts—the one between the "Second Wave" of change (this is how the futurologist termed the building of industrialised society in America) and the "Third Wave" (which is continued drastic modernisation of society). What kind of modernisation has Toffler in mind?

The key change in the political sphere determining all other changes will be, in his view, decentralisation of political activity. "Instead of the mass society's extreme standardization of behavior, ideas, language, and lifestyles, Third Wave society will be built on segmentation and diversity. Instead of a society that concentrates population, energy flows, and other features of life, Third Wave society will disperse and de-concentrate. Instead of opting for maximum scale on the 'bigger is better' principle, Third Wave society will understand the meaning of 'appropriate scale'. Instead of a highly centralized society, Third Wave will recognize the value of much decentralized decision-making."

As he goes over to international politics, Toffler notes that the increasing diversity in society will reduce the influence of big nations, which he blames for the standardisation of the life of their citizens: "Third Wave civilization will be based on a new distribution of power in which the nation, as such, is no longer as influential, as it once was, while other institutions—from the transnational corporations to the autonomous neighbourhood or even city-state—assume greater significance".¹

It is interesting to note that American futurologists often state that the chief role in the renovation of political activity will belong to technology. They predict an ever wider use of "direct mail", that is, the sending of millions of individual letters, written by computers, requesting to back some or other political decision, to vote for a candidate or to send a money donation. Used first by US labour unions, this method is employed by the Republican Party nationwide already today.

Ever more people share the "teledemocracy" and "communicative democracy" concepts. They expect that millions of people will take part in a discussion or voting on any major political issue with the help of cable television

or an integrated network of "home computers". All this, it is believed, will help overcome political alienation and alter the widespread impression that a policy is made by "corrupt politicians". But teledemocracy would make people still more isolated from one another. Millions of people, who supposedly will be able to have their say in a voting on current political issues with the help of cable television and a videoterminal of the "home computer" (if society is able to provide all voters with this equipment, which is unlikely in the conditions of profound property inequality), will not discuss decisions, nor will they come in contact with one another. This rules out a possibility of organising people, since each man would be manipulated individually by those who would report and interpret the televised news.

The futurological "technoidylls" of the 1950s and 1960s contended that the development of technology itself would bring social harmony, whereas most of the forecasts made in the 1970s and 1980s show a different trend. In the view of American theorists there must be also a crafty "social technology" to control social processes and settle social conflicts, and the latest achievements in science and technology would only provide the means for its proper functioning (like direct mail or cable television), while political institutions of the future should adequately apply them in solving all social problems.

Such an approach requires a new policy, and new politicians. It is supposed that in the leadership of central and local political mechanisms the present politicians will be replaced by meritocrats, by the "new priests (forecasts by US futurologist Richard Lann), by "neocracy" (Fred Young) who would be competent in social administration—the trusted and respected "captains of society".

Looking into a still more distant future, futurologists predict the emergence of fully decentralised self-administering communities (often even "space communities") which would know no problems and difficulties typical of US political activity today.

One will not fail to see how unsystemic and, on the whole, utopian these views of future political life in America actually are. Genuine democratisation of society is not a question of political "technique" which futurologists stake on. It is a question of the alignment of social forces. *Who stands to gain* from political change and how will the interests of the groups and sections of society, which are opposed to one another in social and economic terms, be reflected in policy-making? These are the questions the futurologists thoroughly avoid. If the present split

in American society and the role of money in politics remain, any "increase in the competence" of politicians and expansion of their contacts with the citizens—something the futurologists hope for—would merely result in a more effective manipulation of the interests of society by the elite, the very elite which owns the main resources of society, thereby securing for itself exclusive political representation, shapes the political upper crust and identifies public weal with its private interests.

The question of retaining or changing radically the social principles and goals of the political process is never posed by liberal, and still less by conservative-minded, political scientists and futurologists. But their expatiations on "teledemocracy" and "self-governing space communities" prompt this question: What is there in common between their political projects and the present political system of US society? Do there exist principles of political organisation which US political scientists are trying, overtly or covertly, to preserve at any cost for the future? Or perhaps there has never been any definite model of a political system in the USA and the forms of a political process have always been adapted to a current state of the US economy and world developments, to the moods of the electorate, or, in other words, there has always been political chaos with no common trend at all?

So what were the plans of the Founding Fathers of American society, after all; plans which have been attracting the attention of other nations for two centuries now? They definitely contained original ideas and new principles, which is why the slogans and declarations of the young United States of the 18th century are still attractive for some young states. This refers, above all, to the countries whose political system is undemocratic, often because (the irony of history, indeed!) the United States today supports reactionary and dictatorial regimes in these countries, trampling upon many of the principles of its own Declaration of Independence adopted two centuries back.

How It All Started.

The Plans of the Founding Fathers

Originally a number of basic principles underlay the American political system. Of these, the first and foremost was the recognition of the natural right of a nation to political independence.

From the Declaration of Independence adopted unanimously by the United States of America on July 4, 1776:

When in the Course of human events it becomes necessary for one people to dissolve the political bonds which have connected them with another, and to assume among the powers of the earth the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.—That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.—That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness.²

Thomas Jefferson wrote the draft of the Declaration of Independence, on instructions from Congress, for 18 days in his home on Market Street in Philadelphia. As he was writing it he did not refer to any books or articles, as he himself admitted. The Declaration, Jefferson said, was to become an expression of the American way of thinking. And one did not need to consult books to express the ideas deeply rooted in his mind and the spirit of the epoch of Enlightenment, so clearly felt in the Declaration.

The most important part of the Declaration of Independence is the assertion of a people's right to sovereignty. The right to people's sovereignty over a social system was formulated in contrast to the individual right of monarchs to rule the destiny of nations. The Declaration also recognised the right of each nation to choose independently a model for its social system or, in other words, it recognised an independent choice of one's fate without being prompted or dictated by anyone. The Declaration of Independence was referred to on more than one occasion by political leaders of Grenada, Nicaragua and other countries in whose internal affairs the United States interferes.

People's sovereignty is today among the most important

elements of a modern political set-up. The definition and proclamation of people's sovereignty is a great merit of the Declaration which was progressive for that time.

The Declaration was based on the theory of citizens' natural rights and freedom of agreement with regard to social forms. Throughout the 19th and in the early 20th centuries the idea of the freedom of agreement was presented as an almost absolute value, despite the injustice it introduced when the parties to an agreement were in unequal positions. The freedom of the employer to pay the workers meagre wages was justified by the fact that the workers allegedly were free to agree with the employer on a pay for their work.

In fact, however, that freedom was merely formal and later the Founding Fathers were often reproached for ignoring the fact that a man in need was not a free man. The question of social and political freedoms is in general a key one when it comes to analysis of the US political system. And it was such to its creators.

Every culture has its ways of justifying the existing principles of a social system. Some declare them to be endowed by God and appeal to religion, while others urge the need to preserve traditions. In the United States a debate on basic political principles is normally accompanied by glamourising early American history and the Founding Fathers of the American State. They are referred to as the greatest social thinkers and philosophers, and symbolic attributes (often false) are attached to their names: "Thomas Jefferson—encyclopedist and thinker", "great orator Patric Henry", "rioter-philosopher Thomas Paine", "great propagandist Samuel Adams", "general and politician George Washington", and so on. The formulation by Jefferson of the human rights to life, liberty and pursuit of happiness in the Declaration of Independence is often referred to as his personal contribution to the establishment of democratic ideas.

The Founding Fathers were well aware of the definition of basic rights drawn up by British philosopher John Locke. His triad included "life, liberty and property" and was very often repeated in the literature of that time until it was viewed almost as an axiom. Jefferson substituted the "pursuit of happiness" for the right to property on purpose. As he discussed later the French declaration of human and civil rights with French revolutionary leader Lafayette, Jefferson advised him not to include the right to property in that declaration.

The alternation made by Jefferson is regarded in America as a positive contribution to ideas of Enlightenment,

which channelled the evolution of the "philosophy of American revolution" along a new course. Jefferson refused to mention not only the right to property but also the definition widespread at the time, of the right not only to a pursuit of happiness, but to happiness itself. He did it in a purely American way, having thus displayed adherence to classic individualism: society and the government were relieved of responsibility for ensuring decent life for all. Initially, only the equality of formal opportunities—the right to pursuit but not acquisition—was to be ensured. And only later, it had been supposed, the struggle and competition of individuals and their personal qualities would have a decisive role to play.

This stance may well be described as social irresponsibility with regard to people's fate. In the course of competition some can lose basic means of subsistence, while others can amass property in excessive amounts. As we know from history, already at the time the Declaration proclaimed the equal right of all to the pursuit of happiness, the division of the colonists into rich and poor, and far from equal, was obvious and was officially recognised. In Boston, for instance, 10 per cent of the population had concentrated in their hands over 60 per cent of all property by the time the Declaration was adopted.

The subsequent evolution of the "American model" showed pretty well that, in the opinion of the majority of the citizens, society and the government had to render at least a minimum aid to those who had lost the means of subsistence. In violation of the proposed equality of opportunities in the USA, a system of social aid to the poor was subsequently established in the country, though it was less developed than in some European countries.

But still, the very attempt to include some civil rights and liberties among the principles underlying the social model was progressive at the time. Karl Marx called the American Declaration of Independence the first declaration of human rights. Later, this document was used in drawing up the Universal Declaration of Human Rights proclaimed by the United Nations and now signed by delegates of almost all countries in the world. Inalienable human rights were formulated by the US Founding Fathers in fairly broad terms, broad enough for the individual provisions of the Declaration of Independence to be included, even today, in the programmes of political movements and states. But precisely this broadness of interpretation made it abstract, too declarative and to a certain degree demagogic, lacking concrete material and juridical backing and confirmation. True, in 14 years the principles

proclaimed in the Declaration were given legal force as they were incorporated in the Constitution of the USA. But the public continued to demand that the legislators make the three abstract "inalienable" rights to life, liberty and the pursuit of happiness at least a little more specific. This pressure resulted in the first ten amendments to the Constitution of the United States, known as the Bill of Rights.

From the Bill of Rights:

Article I

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peacefully to assemble, and to petition the Government for a redress of grievances.

Article II

A well regulated militia, being necessary to a security of a free State, the right of the people to keep and bear arms, shall not be infringed...

Article IV

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated...

There were considerable limitations of political rights in the American republic since its formation. The political rights to elect people's representatives, to take part in political decision-making, and to be elected were denied to women and slaves, and in the southern states, to Blacks. These rights were formally granted to the Black population in 1870, after the Civil War. In the southern states, however, the Black population was discriminated against in various ways, in particular, by introducing an education qualification for voters and other such measures. Women fought for decades for a right to vote, until a bill granting them equal political voting with men, was adopted in 1913.

The American political system at the time of its formation was the third bourgeois democracy in history, after Great Britain and Switzerland. That, of course, made the search for its proper forms a complex task. American federalism—a compromise between diversity and centralisation, a division of political power between federal

(central) and local (the states) bodies of power—was taking shape in the course of lengthy debates. It had been planned that federalism would give a broad scope to social and political experimenting in the localities. But the negative aspects of that experimenting and the difference in the states' legislation made themselves felt almost immediately. The citizens willing to live under the protection of one or another law, it was declared, were free to change their residence and to move to states or districts where such laws were in force. However, this legal provision was used mainly by outlaws. The considerable differences in the legislation of the states have been traditionally exploited by those in the USA who are engaged in swindle or shady financial transactions. The "opportunities for social experimenting" had to be paid for dearly: the local authorities of the states were vying with the central administration in everything, which resulted in inflated staffs and unnecessary duplication of central departments. The local funds, meagre as they are, are spent on the maintenance of the bureaucratic machinery. Meanwhile Americans themselves have noted a constant decrease of the role of local authorities whose staffs keep swelling. This led in many instances to a demand to renovate American federalism. The attempts to alter this major principle of the "American model" have not ceased to this day, though, according to most Americans, these attempts have failed so far.

The division of legislative, executive and judicial power into three independent branches which are constantly controlling and limiting one another is the main principle underlying the American political model. In this sense the "American model" has always been opposed to the view of the state as one entity, a community of people pursuing common goals and having common interests. It is opposed also to the modern cultures believing that the existence of harmonious common interests in a society is possible and desirable.

The division of power, federalism and formally "equal opportunities" for all to participate in political struggle and to set up all kinds of non-governmental organisations to protect group interests make up the basis of political *pluralism*—the epitome of the Founding Fathers' dream about a new and perfect society. At the dawn of US capitalism the political model was based, among other things, on the idea of unlimited competition of all with everybody, on the individualistic principle: "each fights his own battle". It was supposed that decentralisation of power, with the citizens being allowed to form any political groupings and defend their interests, whatever those

interests might be, would guard American society against abuses by individual rulers.

The attempt, positive as it was, to prevent a seizure of power by any political grouping sowed the seeds of most dangerous imperfections in the American political model. As the Founding Fathers made the unlimited, and even desirable, struggle among political groupings one of the basic principles of the political system, they themselves feared that democracy could be drowned in search for a compromise among all these groupings. But a still greater danger was built into the "American model": unlimited competition in politics, just as on the economic market, presupposes that the strongest should win and the weakest be ruthlessly ousted. For a political model this means that "equal opportunities" of participation in politics are designed to disguise the unequal results achieved, with all power being concentrated in the hands of the rich, barring the rest of the population from influencing major political decision-making.

It is obvious therefore that from the outset the American political model incorporated rather contradictory principles of a political system. Each of them, though, was historically progressive at first and suited the goals of building a purely bourgeois society, and each was forming a basis for future social conflicts and hard problems.

Many US political scientists assert that the fundamental principles of the American political model established by the Founding Fathers opened up broad vistas for the subsequent dynamic development of American society. We do not deny that, but we must note that even those negative elements in the activities of the government, Congress, the President and bourgeois political parties—elements which come to the fore whenever one cares to analyse the present-day US political system—are not a chance distortion of that system but its logical effect. They inevitably accompany the development of the bourgeois-democratic political principles initially built into the "American model".

The Credibility Gap

It is safe to say that the political institutions and mechanisms engineered during the American Revolution have survived in the vicissitudes of modern history not so much because they are perfect but because the conditions were favourable for their development in a large nation with a social structure—simplified in the initial period—which

for a long time could settle social contradictions through territorial expansion and rapid economic growth.

Most of the political institutions established in the United States two centuries back still function today. However, popular discontent with them has been growing, and so have political alienation and mistrust in these institutions which have grown too large and appear to be less and less suited to present-day conditions. This discontent has been most pronounced in the past decade.

It is believed by many that "America has lost its faith in its institutions.... It's lost its sense of political common purpose."³

"Our leaders, caught in past lies, are no longer believed. Our major institutions—government, business, the press ... are held in low regard," observed *The Washington Post*.⁴

The Americans' confidence in the main US political institutions has dropped.

Confidence (per cent of the polled)⁵

	1966	1973	1979
Congress	42	29	18
Executive Branch	41	19	17
US Supreme Court	50	40	23

As estimated by Yankelovich, Skelly and White, Inc., a New York-based public opinion research firm, over the past decade most of the pollees in America agreed that "there is no justice in the U.S. for poor people" (46 per cent), that they "no longer trust the people in power" (86 per cent), that "the Federal Government is gradually taking away Americans' basic freedoms" (63 per cent), and that "more than half ... agree that too much attention is being paid to small elite groups"⁶.

The Americans' confidence in their government has been steadily on the decline. This, of course, is due to some extent to certain actions by the government itself, which can hardly always suit all population groups all the time. The discontent is accounted for by displeasure with certain methods used by the government and with certain persons in the government. But it would be utterly wrong to believe that the US government is functioning on its own like a smoothly run democratic political institution implementing the power of the people and it is only minor flaws in its work and the "ill will" of certain politicians that prevent it from enjoying nationwide confidence.

People have been disillusioned not so much with individ-

ual decisions or individual politicians as with the activities of this or that element of the American political system. They come to realise that the US government acts not in the interests of the whole nation but caters for the small group of the powers that be, and squanders an excessive amount of public funds on itself, while it fails to perform the functions of the country's leadership.

Most of Americans are convinced, as testified by opinion polls, that the government does not meet the interests of the man in the street but runs the country primarily in the interest of the biggest corporations and banks, that it does not help to solve economic problems, while its social programmes are far from being perfect.

Has Congress Grown Obsolete?

In the summer of 1826 Thomas Jefferson was dying at the age of 83 in his Virginia estate. The first 50 years in US history are associated with his name. He was a governor, a congressman, an ambassador, a Secretary of State and a President of the United States. Jefferson played an immense role in drafting the US Constitution. He was widely known as a remarkable encyclopedist, eminent philosopher and historian and a gifted naturalist. And, most important, he framed the famous Declaration of Independence.

The dying patriarch of the American Revolution was tormented with one thought: what would become of his daughter, an educated mulatto whose mother was a Black bondwoman? Not trusting his heirs and the authorities of Virginia, Jefferson wrote a letter to Congress asking it to take care of his daughter after his death.

Jefferson died and his letter got stuck in the Capitol for long. While the congressmen debated this problem and the matter was looked into by numerous committees and subcommittees, Jefferson's daughter was sold as a Black slave and committed suicide in bondage. But later a sumptuous memorial was built in Washington in honour of Jefferson himself, following a decision of the very Congress.

This story shows the US Congress as it really is: inert, bureaucratic, unable and unwilling to make concrete decisions. The story dates back to the early evolution of the "American model". In those remote years, when congressmen came from the loosely connected colonies and Congress itself often became a school in which they were to realise and shape the common interests of the nation in the making, such instances were not rare.

Today, American society has grown much more complex

and the range of problems it is to tackle has greatly broadened. The position of the United States on the world scene is contradictory and Congress, set up when the ideas of American isolationism were taking root, has to decide also questions concerning the relations between the United States and the outside world. Does Congress fulfil its mission today, and does it speak for the interests of the nation as a whole, or is it subordinate to the powers that be. Does it help to solve the problems confronting American society?

In the novel *1984*, an anti-utopia by George Orwell, the demagogically proclaimed "common interest" is surprisingly at variance with people's real interests. In America today the interests of the biggest corporations and banks are passed off as a "common interest". Meanwhile Congress itself is gradually losing its face, giving up its rights and powers in the name of "justice" and "expedience"—each time in the name of protecting the interests of the ruling classes.

The onslaught on the rights and powers of Congress is conducted simultaneously in three directions by three interacting forces.

The first such force is the vast and rapidly growing army of lobbyists of the largest corporations and influential political organisations circumventing the usual legislative procedure. In no other country has political lobbying grown to such proportions as in the United States. Roughly 15,000 lobbyists spend over \$1,000 million a year on pressurising congressmen and about as much on the activities in election districts. A lobby can consist of large and heavily financed groups, of people, or it can be a single man. Some lobbyists work on legislators directly, while others prefer roundabout ways, choosing to pressurise the voters or the electoral college. The lobbyists shower congressmen with tendentiously selected literature, reports, and information, organise meetings between legislators and "interested" entrepreneurs, and even resort to bribery and blackmail. American lawyers often call lobbyists the "Third House" of Congress.

Theoretically any organisation can have a lobby. But in practice only the big monopolies can afford lobbying. The biggest military corporations—General Dynamics, General Electric, United Technologies, Boeing, Lockheed and others—have the largest lobbies in Washington. Gradually the lobbies train legislators to see the world through eyes of these companies, to heed their counsel and to offer programmes drawn up in their headquarters.

The military-industrial concerns are followed by oil

corporations—Exxon, Mobil Oil, Sokal, Gulf Oil, and Texaco. Then come the lobbies of the biggest US banks, automobile concerns, air transport companies, and pharmaceutical corporations. Briefly speaking, American big business is widely represented on the Capitol Hill. Even the legislators, who sincerely wish to be unbiased and independent of “voluntary helpers”, fall under their influence and often rubberstamp the resolutions and bills written by the lobbyists.

The second force pressing Congress is executive power. Way back at the start of this century Mark Twain wrote that the US President can command Congress even more than the Russian tsar can command the Duma. The President has, indeed, vast opportunities to pressurise Congress: he can veto a bill or delay its discussion, launch a campaign in the press against a congressman or a whole subcommittee, set one grouping in Congress against another, or let loose the FBI on congressmen. But the White House can also encourage a complaisant legislator by offering a lucrative federal contract to his election district or by raising government subsidies to it.

The role of Congress in foreign policy has notably declined. Throughout the postwar period it was ignored in major foreign policy decision-making. Under the pretext of “protecting national interests” the White House unilaterally passed decisions on armed interventions and subversion abroad. Tens of billions of dollars were removed from the federal budget, without congressional sanctions, to finance the secret service, and congressmen were arbitrarily debarred from most important talks.

True, after the US defeat in Vietnam Congress urgently issued a law on presidential powers in military matters, prohibiting interventions, “non-sanctioned” by Congress, if they last more than 60 days. But in actual fact it was tantamount to a permission of briefer interventions. Such a permission was used by the Reagan Administration for the invasion of Grenada in the autumn of 1983, when the President carried out a “legitimate” operation about which congressmen learned from newspapers.

The third force active in helping the first two ones operates right on the Capitol Hill. It consists of numerous Congress officials. A curious transformation is taking place: the less congressmen actually take part in the solution of major problems, the more minor technical problems are heaped up on them. At present over 10 thousand bills and draft resolutions are tabled in Congress annually. Of these, 2,000 become acts (among them may be the SALT treaty and a resolution approving explanatory notes on tal-

lies in a Wyoming museum). Besides, Congress is to approve the appointment of about 70,000 officials a year (among these may be the US Secretary of State and a postman in a small town in Oklahoma).

An enormous number of committees and subcommittees are set up. Is it possible in such circumstances to maintain a high efficiency of Congress and ensure reasonable time limits for the adoption of acts? The 96th Congress, for instance, had 29 standing committees and 151 subcommittees in the House of Representatives, and 21 committees and 112 subcommittees in the Senate (at present the number of subcommittees has exceeded the number of senators). On top of that Congress has joint committees and subcommittees of the Senate and the House of Representatives. The spheres of their interests are overlapping, causing parallelism in work and constant discrepancies in the treatment of one and the same problem by various subcommittees.

Today, every representative sits, on the average, on three subcommittees and a senator, on five. Congressmen rush from one meeting to another, spending an hour in a committee and a few minutes in a subcommittee. Therefore some important bills get stuck in subcommittees a whole year and emerge from there barely recognisable. Since legislators cannot be experts in all matters, they have to rely on the personnel whose number is growing fast. Right after the war the Congress staff averaged 4,000, whereas now it has topped 20,000.

Congress officials, who know all the roundabout ways, have reliable connections in the White House staff, have all the facts and figures they could require at their finger tips, remember the mistakes of the past years and know all precedents and possibilities, become actual legislators. They tell a congressman what is to be done now, what is to be postponed and what should be discarded altogether. Thus, even minor problems within the competence of Congress in fact get out of its control. The only thing that remains to be done is to rubberstamp resolutions, manoeuvre between more influential lobbyists and get ready for a coming election campaign.

The term in Congress is used for yet another purpose—personal enrichment. This prerogative is carefully guarded by congressmen. At any rate, it is quite admissible that US congressmen

- regularly raise salaries for themselves;
- lower their own taxes;
- receive thousands of dollars as “fees” for lectures and speeches to interested groups;

- lunch in the best restaurants at the expense of corporations' lobbyists;
- misappropriate state money;
- make pleasure trips around the world at the expense of tax-payers.

While congressmen, pressed by the lobbies and striving for personal enrichment, are losing sight the long-range goals of social development amidst a confusing multitude of minor bills, the hope for achieving a balance among different interests is getting ever more flimsy. Clear-cut platforms of political parties have long since been absent in Congress, and on most issues senators and representatives vote at their own discretion to cater to influential persons in their election districts, instead of meeting the interests of the party which nominated them. It is a paradox that this should weaken, and not strengthen, unity because, even though the parties no longer declare opposite points of view on any issue, there appear numerous "floating" coalitions which break up as uncontrollably as they are formed.

Can Congress become a most effective legislative body? Considering the above facts, it is obvious that the specifics of Congress are closely linked with the specifics of American political culture. It is just as obvious that it becomes less capable of functioning effectively even in the conditions of this culture.

It is not surprising that, according to opinion polls, most Americans believe that Congress is not to be trusted, and that congressmen care only for their own good. No wonder, then, that over a half of Americans have been ignoring congressional elections for more than two decades now. But there can be no other attitude to a Congress where red-tape is substituted for the solution of national problems; petty squabbles for constructive discussions; demagogic attacks on executive power for political independence; and showmanship for practical effectiveness.

Elections and Money

A large number of acts on financing election campaigns were hastily approved in the United States in 1974, after financial abuses by the Republican Party leadership were exposed during the investigation of the Watergate affair. It became known that during the 1972 election campaign the then US President Richard Nixon received over one million dollars from the Gulf Oil corporation, half a million from the ITT, and hundreds of thousands of dollars from Tenneco, Litton Industries and Northrop. Besides, it was

revealed during the investigation that the Administration employed blackmail and "arms twisting" methods, forcing various public organisations to finance the Republicans' election campaign.

But the problem was not confined to preventing other "Watergates". Greater concern, perhaps, was caused by the tendency towards making political struggle ever more expensive, which threatened to sap the foundations of the "American model". Big money was becoming the chief argument in pre-election battles, and election campaigns themselves degenerated into expensive political shows. In the early 1970s a candidate to the House of Representatives spent on the average \$75,000 on his election campaign, and a candidate to the Senate spent \$500,000. The struggle for a state governor office cost about one million.

Billionaire candidates did not recognise financial limits at all. For instance, Governor of the New York state Nelson Rockefeller allocated over \$10 million from his personal funds on his election campaign, which actually guaranteed him re-election. All in all, \$500 million were spent during the 1972 elections at all levels. Incidentally, 90 per cent of that sum was made up of donations by the biggest monopolies and the richest persons in the country.

To put paid to this tendency, Congress adopted an act sharply limiting the private financing of election campaigns. From then on a donation by an individual voter could not exceed one thousand dollars; and the limit set for an organisation or firm was \$5,000. Another act prohibited a candidate to Congress to spend more than \$35,000 of his money on an election campaign. Congress approved regulations on candidates reporting their election spending. Similar acts and decrees were issued by the congresses of the states.

It seemed that justice triumphed, that a crushing blow was delivered at the political influence of big business, and that the sacred principles of "Western democracy" were restored in all their splendour.

But, as it was wittily remarked by Voltaire two centuries back, a large number of laws in a state is the same as a large number of doctors—it is a sign of a disease and impotence. Now, a decade after the reform in financing election campaigns, the good intentions of the US legislators look childishly naive. If one reviews the spending during the election campaigns, one will not fail to see that it has shot up. A seat in the House of Representatives now costs \$150,000; a seat in the Senate, \$1.5 million; and that of a governor \$2.5 million. The expenses on the 1980 elections exceeded \$1,000 million, and the 1984 election ca-

mpaign cost the Americans \$1,500 million.

The new legislation was sapped gradually, day by day, with all sorts of juridical ploys brought into play. In 1976 the US Supreme Court lifted restrictions on self-financing, declaring them unconstitutional. No man can be deprived of the right freely to use his money, can he? And then John Rockefeller, campaigning for the governor's office in West Virginia, spent about \$12 million—\$300 per voter. The huge sum made all political arguments of Rockefeller's rivals unconvincing.

It all became even worse with time. Under pressure from numerous employer organisations US corporations were given the right to receive "political fees" from their employees, if paid "voluntarily". It is impossible, though, to know how much "voluntary" such payments are. This measure actually renders the regulations on the 5,000-dollar limit null and void. Now the corporations can, just as before, donate tens and even hundreds of thousands of dollars for election funds. Only now they have to distribute the payments among the employees and family members.

Not content with this, the US corporations began to set up political action committees. As a rule, these committees unite corporations of whole industries, raise considerable funds (up to a few million dollars) and hand them over for the election campaign of some or other candidate. Chairmen of congressional committees, on whom the passage of bills largely depends, receive most lavish gifts. The corporations of the agro-industrial complex "take care" "of the committees on agriculture, ship owners and transport companies" take care "of a committee on the merchant marine and fisheries, and so on. Sometimes "political action" committees pay three-quarters of the expenditures on the re-election of "their man".

As for the political groupings of the conservatives and the ultra-right, they have taken a different path. Accepting donations from financial and industrial tycoons, they have won over the "middle strata" of the population—the petty bourgeoisie, shop-keepers and farmers, the "workers' aristocracy", residents of small provincial towns, especially in the south of the United States, who are traditionally conservative. The mail service, too, has been used to enlist the co-operation of this usually passive and motley coalition.

The idea of using mail for fund raising is not new. For a few decades Americans have been showered with bulletins, leaflets, standard letters and appeals by various organisations and politicians needing public and financial support. In the 1970s, however, this practice acquired a new dimension. The right-wingers evolved a sophisticated method of

sending out millions of letters which creates an illusion of personal contact with every individual. This method, known as "direct mail", has resulted in an unprecedented growth of the political influence of the rightists and brought them practically unlimited financial resources.

Let us examine, as an example, the activities of the RAVCO firm, almost the largest fund-raising organisation, headed by Richard A. Viguerie, a widely-known conservative. The main assets of the firm are its numerous dossiers. It has files on about five million people, containing apart from general statistics (age, the marital status, profit, occupation), information on political leanings, habits, hobbies, and previous donations.

After signing a contract with a politician RAVCO sends out millions of letters to the addresses stored in the electronic memory of powerful computers. A RAVCO letter is not a stereotype text multiplied in millions of copies: special facsimile technique creates an impression that a letter has been written by a man. The computers vary the texts of the letters enough to make them look most friendly and personal. To create a still greater illusion of personal contact, grammar mistakes, blots, and corrections are programmed in the letter-writing computers. A man is reminded of his previous donations, asked about his health and is requested to share his views on some or other issue. As a result, remittances come pouring to RAVCO. The number of letters sent is so great that donations from one or two per cent of the addressees would suffice for a successful fund-raising campaign.

Not all the money thus collected is spent on political needs, of course. RAVCO is a prospering commercial enterprise, bringing good profit to Viguerie himself. Sometimes a "commission" levied by the firm amounts to 80 per cent of the money raised.

Still, not every politician can expect Viguerie's aid. When Democratic Senator George McGovern asked him to help raise funds for an election campaign, Viguerie refused, saying he did not share McGovern's political views. But RAVCO never closed its doors to ultra-reactionaries like George Wallace, Barry Goldwater, Jessie Helms and John Ashbrook. Viguerie raised more than one million dollars for each of them. And in the case of Ashbrook Viguerie's political extremism even prevailed over his prudence of a businessman: he lost a quarter of a million of his money in a futile effort to get Ashbrook nominated for presidential elections from the Republican Party in 1972.

US President Ronald Reagan, too, owes much to Viguerie. RAVCO raised over five million dollars for Reagan's

election campaign. But what is far more important is that Viguerie facilitated the election of at least 30 ultra-conservative candidates to the Senate and the House of Representatives—a reliable backing to Reagan.

There is yet another way of by-passing legislation on financing election campaigns. Limiting the amount of donations for a candidate, the legislation does not limit the financing of campaigns against specific persons. This trick is widely employed by various ultra-right groupings. They not so much help their own candidates as do harm to their liberal rivals. Hundreds of thousands of dollars are allocated for campaigns against liberal candidates. Every means is used to that end—paid newspaper advertisements and letters to voters, special “anti-advertising” TV broadcasts, and marches and meetings in election districts. There have been frequent instances of outright slander and misinformation of the public. It is largely through these “negative” campaigns that reactionaries Steven Simmes, James Abdnor, Jeremy Denton and others have got onto the Capitol Hill. They defeated a good deal more experienced and far-sighted liberal rivals only because all the “dirty work” had been done for them by right-wing political organisations.

Thus, the legislation limiting the financing of election campaigns in no way diminished the political power of the dollar. Once again the dollar has managed to adapt itself to the new situation, to disguise and transform itself in order to slip into the ballot box. The content of American democracy is going steadily from bad to worse, though its outward appearance is constantly patched up and renewed.

However, the role of money in political struggles should not be absolutised. In US political practice, too, there have been instances when the golden calf has not justified hopes. Thus Carter Burden, a Democratic candidate to the House of Representatives from the New York state, spent about a million-and-a-half dollars on his election campaign and lost. Half a million dollars did not help Republican Ed Scott from Texas to get a seat in the House of Representatives. At the same time Democrat Johnathan Beegan (New York) won, having spent a mere \$5,200; Democrat Karl Perkins (Kentucky) won for \$3,700; and Democrats Charles Vanick (Ohio) and Edward Boulard (Massachusetts) were elected “for a song”, having spent \$70 and \$40 respectively.

But all these exceptions only confirm the general rule. The conclusions made after reading the statistics say that in seven instances out of eight a candidate with bigger funds wins. The chances are the best for candidates who are well off for money.

Therefore it is hardly a coincidence that only five out

of one hundred senators live on a salary, while for the rest this salary (which is over \$60,000 annually) is just a small addition to their fortune. Even according to official, obviously understated, data, one-third of the senators are millionaires. These are the people whose election funds are always ready. They do not have to go to the voters cap in hand, to fawn on the trade unions and public organisations, to prove their loyalty in banks and corporations, or to cringe to party functionaries in election districts.

But they can hardly be called independent, for they owe all their wealth to the big corporations and banks: 36 senators are stockholders of the biggest banks; 31, of oil monopolies; 31, of military-industrial companies; 19, of chemical concerns; 18, of power engineering firms; and 18, of insurance companies. Therefore the self-financing of election campaigns turns to be financial support from big business.

The decade that has passed since the adoption of the legislation on financing election campaigns in the USA has again confirmed the old truth that under capitalism money and political power go together like a horse and carriage. The very idea of a possible political equality in the conditions of profound inequality in the socio-economic sphere, inherent in the "American model", is sheer nonsense. There can be no equality between four Black families living below the poverty line, on the one hand, and the four families of the Rockefellers, Morgans, Du Ponts and Mellons, owning one-third of the national wealth of the United States, on the other.

So long as capitalism exists in America, any attempts to restrict by legislative measures the power of the dollar, to curb financial machinations perpetrated by politicians and to put an end to political abuses committed by right-wing organisations would be the same as to attempt to clean the Augean stables with a toothbrush.

On the Way to a Society under Surveillance

A few years ago the American public was told new facts about the activities of the Federal Bureau of Investigation. The facts came out unexpectedly, during yet another trial of the Communist Party, USA, started by the Federal Election Committee. The committee attempted to debar the Communist Party from elections on the grounds that the Communists, allegedly, are foreign agents and subversive elements. The argument is not new and, as before, it does not hold water. But, for want of a better one, it is

brought up once in every four years and is dragged ostensibly through the law courts of all instances, up to the Supreme Court of the United States.

Disproving the false charges brought up against the Communists, the lawyer of the Communist Party demanded that the FBI files on operations against the party over the past forty years be produced in court. The FBI, naturally, refused to do that, as it did on many occasions in the past, but the reason for the refusal was unexpected: only in the FBI national headquarters in Washington there are 26 million pages of files on the Communist Party and all the FBI officers taken together would be unable to make head or tale in that sea of paper.

Such a plain recognition of the FBI's impotence caused a big stir. News analysts were surprised to learn that the FBI could not keep its archives in order and failed to analyse the information which it took so enormous pains to obtain. Why, then, does it employ thousands of agents and tens of thousands of informers? Why all the bugging and opening of the mail? What are the FBI men paid for, and paid well?

However, as we see it, the bureau of the late Edgar I. Hoover deserves some forbearance. It has done a good deal of work: 26 million pages make up 50 thousand thick volumes, 500 pages each; a huge library packed with interrogation records, scenarios of acts of provocation, information from renegades, reports by paid agents, lists of "sympathisers", copies of opened letters, and so on. It is all too obvious that the men from the FBI headquarters really have no time to sort out this huge amount of fast-growing information.

Besides, it is not only Communists that the FBI is occupied with. The FBI has long since become a major and absolutely indispensable element of the "American model". Even at official, understated data the FBI keeps an eye on 1,100 public and political organisations, which one way or another do not fit into the "American model" stereotype. In a bid to cover practically the entire population of the United States by total surveillance, the FBI institutes proceedings (tens of thousands of cases annually) on charges of "extremism" and "subversive activities", and starts about 50,000 new files on US citizens.

During less than a hundred years of its existence the FBI has grown from an insignificant and a relatively ineffective agency of the Department of Justice into a huge organisation with considerable political power. Though the FBI has failed to accomplish its original tasks—eradication of organised crime and putting an end to abuses by cor-

porations—and is unlikely ever to accomplish them, it has found, right at the start, another, more important business for itself—political surveillance and struggle against progressive public organisations. And in this field of activity Hoover's bureau spared no effort. Let us review the main actions on its record:

1917—a raid on the progressive trade union centre Industrial Workers of the World. About two hundred union leaders and activists jailed.

1920—massive raids on members of the Communist Party USA; ten thousand people arrested.

1926—a raid on the independent labour unions of the Pacific coast.

1939—the US Congress approved the Hatch Act giving the FBI the right to control all appointments in the federal offices of the United States.

1948—12 US Communist leaders arrested; at a trial that followed the accused were sentenced to long terms in prison.

1950—a list of “subversive” organisations subjected to FBI surveillance was legislatively approved.

1953—a sweeping campaign to check the loyalty of office employees resulted in 8,000 people dismissed from their jobs.

1956—a long-term counter-intelligence programme, Co-intelpro, was launched to undermine, mislead, slander and set at loggerheads with one another the Communist Party USA, the civil rights movement, the trade unions and the Black organisations. The programme provided for over 2,000 various actions and for having files on millions of Americans.

1966—the Hood Weenk operation, whose purpose was to set the Mafia against the Communist Party, envisaged acts of terror, anonymous letters, provocations, and so on.

1968—as the movement of Black Americans for their rights was mounting, counter-measures were taken: the FBI participated in the preparations for the assassination of Martin Luther King.

1969—raids on the Radical Left organisation Black Panthers.

1972—wire taps were installed in the Watergate Hotel, the headquarters of the Democratic Party.

The operations conducted by the FBI in the recent decades are not yet publicly known. But one thing is certain: the activities of the secret police have been growing in scope. The public outcry over the exposure of the secret service activities in the mid-1970s was centered on the CIA for the most part. No one dared to touch the FBI, even in those troubled years: the CIA operated mainly abroad,

while the FBI had a far-flung network of informers in the country, in its governmental offices, in the press and on corporation boards. The FBI collected mudslinging information on senators and congressmen, opened personal correspondence of governors and listened to telephone conversations of top-ranking government officials. Its retaliation could be devastating. This explains why the governmental group to investigate FBI abuses was set up after many delays, acted with extreme caution, and in 1978 fell apart without a single conclusion made.

The Reagan Administration disavowed even those feeble attempts to influence the FBI. Arthur Fleming, head of a governmental Civil Rights Commission, who in his time displayed "unwarranted" enthusiasm investigating FBI abuses, was fired. A special presidential decree was issued prohibiting any discussion of the activities of the secret services which could do harm to "national security". Besides, the Republicans sanctioned the CIA's joining the FBI in covert operations in the United States to make these operations more effective.

All that was being done amidst hysterical cries about "international terrorism", "revival of extremism" and "the outbreak of violence" in the country. The FBI bosses swore that their chief goal was to ensure the security of Americans, and that it would be attained in the near future.

But the facts show that in the first half of the 1980s organised crime and terrorism in the United States were spreading at a stable fast rate. It seems incredible but the mammoth FBI machine reinforced by the CIA failed to contain the rapid growth of terrorism. Listening to hundreds of thousands of telephone conversations, the huge army of informers and even the stealing of documents did not help. The point is that terrorism is something altogether different from its descriptions in the US press.

Modern terrorism is the monstrous "hunt" of Black children organised by the Ku-Klux-Klan in Atlanta.

It is the anti-racist demonstration shot by neo-nazis in Greensboro, North Carolina.

It is bomb explosions at the building of the Soviet UN mission and in the Soviet Aeroflot offices in New York, for which the Jewish Defense League is responsible.

It is the assassination of a Cuban diplomat by the emigré grouping Omega-7, and many other similar actions.

The FBI with its immense possibilities could easily neutralise these truly terroristic organisations. But this prospect causes no fear among the terrorist bosses. From the point of view of the US Establishment, such extremist groupings are far less dangerous for the "American model"

than, say, the rising tide of the antiwar movement. On the whole, they operate within the framework of the "American model" and can well expect at least its favourable neutrality, if not patronage.

The criteria of loyalty in the "American model" are rather vague. Each one of the score of organisations and agencies of the federal government, whose job is to keep under surveillance both the US citizens and foreigners labelled "subversive elements" or "extremists", has its own point of view on that matter. These notions are often unjustifiably extended and therefore surveillance and intrusion in the Americans' private life is assuming dangerous proportions.

The CIA, for instance, though it is mainly occupied with operations abroad, has dossiers on 1.5 million Americans and makes copies from hundreds of thousands of letters coming to, or being sent from, the USA. Besides, the CIA "patronises", so to speak, more than one hundred American public organisations maintaining international ties.

The US immigration and naturalisation service has its own files on 50 million people going from, or arriving at, the USA.

The Department of Defense keeps over 25 million dossiers on American citizens.

All in all, the federal government has about 7,000 various filing offices with over 4,000 million files in them, not to mention a multitude of other information on Americans' private lives. In other words, about twenty files on every man, every woman, and every child are kept in various organisations of the federal authorities.

But political surveillance in the USA is not confined to that only. In each state the police has its own dossiers on people regarded as "potentially dangerous", "subversive elements", "extremists", "the left", "pacifists", "feminists", or just "politically active". Since most of Americans one way or another fall within this or that category, the state capitals are flooded by torrents of paper.

The expanding system of political surveillance over US citizens, the unconstitutional, and sometimes even criminal, activities of the FBI, the CIA and other related services, the incessant persecution of members of progressive and antiwar movements and organisations—all this essentially minimises the democratic principles which once used to be the basis of the "American model". Dissent, discontent or disagreement is at times interpreted as "plotting against the state", and such "subversive" words as "capitalism", "the working class" or "class struggle" are banished from the language.

Until recently, according to a forced admission by the FBI, precisely this total surveillance, the striving to keep under control every aspect of life of all Americans, reduced to a great extent the effectiveness of the police. There was simply not enough time to process and systematise all the incoming information. Besides, effectiveness was reduced by repeated duplication and red tape. But the FBI cannot, for all its might, have every American watched by a personal informer reporting his every move.

Such a prospect is no doubt a long-cherished dream of the FBI and CIA leaders, but until the mid-1980s it seemed to be a vain dream. Today, however, when electronics is flooding the home and the work place of every American this prospect is becoming real.

The coming of electronics has been waited for hopefully since long ago. Sociologists and economists wrote excitedly about home computers, videotape recorders, satellite communication systems, cable TV, wrist telephones, direct mail, data banks, visual displays and terminals—all the various elements of the technetronic era. It was supposed that new scientific and technological achievements would not only make man's work easier and less tedious but that they would greatly enhance people's cultural level, extend their political outlook and open up new vistas before American society, and that they would be a shot in the arm for the decrepit "American model".

But, as it has often been the case in the past, new achievements were used for suppression—in this case the spiritual suppression of US citizens.

Sophisticated computers are used not only for weather forecasting, handling cheques, adding up tax revenues and for traffic control. Today, due to the extensive use of computers in state agencies the thousands of filing offices gradually merge into one huge superfile on all citizens in the USA. The day is near when it will concentrate exhaustive information on every American, including, apart from biographical data, information on his, or her, political views, acquaintances, habits, weaknesses, hobbies, etc. Incidentally, the superfile would be much easier to use: one would not need to sit for hours in dusty archives and handle heaps of paper. Any required information about a man will appear within seconds on a visual display screen.

But perhaps even this is not the main thing. The surveillance technique has reached a new and higher level. Until today "national security" men in America had rather limited technical facilities for gathering information. Now electronic equipment has become a terrible weapon in their hands. Owing to the use of transistors and silicon

microcomponents the size and the price of computers have decreased so much that millions of people can afford to buy them. These small multi-purpose computers installed in apartments, offices, schools, hospitals and shops become the personal informers which the FBI and the CIA have long been dreaming about.

Any technical innovation is turned by the secret services into a new source of information. Take, for instance, cable TV now being used by nearly 700,000 American families. It is very convenient: with the help of a TV set one can order goods, or express his views on problems raised in TV broadcasts. Thus, television now ensures a two-way contact. But cable television also makes it possible to register who watches one or another programme at the moment. This is of no small importance for learning the political views and psychological images of "suspects".

Electronic mail, which is gradually ousting usual correspondence, is already functioning in 25 cities of the United States. It is far more convenient, of course, to type a letter on a computer screen and transmit it instantly to the other end of the country. But to overtake such a letter and make a copy of it is much easier than in the case of a usual letter—one has only slightly to change the programme of the system regulating the sending of electronic mail.

Even in a hospital a computer becomes at once a doctor and an informer. Previously, practically all information about a patient's disease was kept secret. Now that it is put in a computer's memory, this information becomes available to secret agencies, to which it is very important to know all about the health condition of the suspects, about their ills, for this can come handy in future "work".

In the electronic era any shop is becoming a storage of important data which can also be used. Computerised cashboxes "remember" what was bought by whom, and when, which gives the idea of the habits, tastes and the way of life of any American.

One may argue, of course, that the prospect of a society in which the police machinery will know all about the life of every American whose every step will be registered in an electronic superfile is too bad to be true. But so far all attempts to reverse, or at least to halt, America's slide down to a society under surveillance have been in vain. Even Congress, which after a long debate passed on the Private Life Protection Act, added to that significant document a supplement of 800 exceptions rendering its main provisions null and void.

The Red Tape Monster

The authors of futurological anti-utopias widely known in the West, as *This Brave New World* by Aldous Huxley, frighten the readers by total organisation dominating future political life and paralysing any fresh undertaking. The state machinery, bulky and clumsy as it is, is turning from the servant of society into its master. No one, not even those in power, will be able to overcome the inertia of the bureaucratic mechanism.

Can anything like this happen to America, dynamic as it seems to be at first sight; to America which during the two centuries of its history constantly fought—not without success—against the excessive power of government establishments? It certainly can. A study of the activity of the US government and numerous Washington departments and agencies has shown that passivity, disorder, red tape and demagoguery, inherent in the US political machine, are a serious obstacle in the way of solving problems confronting American society. The machine squeaks and clinks, whatever Administration runs it. Many social projects just get stuck in it.

Many US official data point to the excessive size of the US machinery, to the fragmentation of a number of its functions among numerous agencies, and to the growing ineffectiveness of state regulation because of expanding bureaucratisation of economic and political life. Thus, in domestic economic policy the functions of six departments are duplicated; seven departments deal with foreign trade matters, and seven departments and eight “independent” agencies are occupied with medical care. In the use of water resources the functions of seven federal departments are duplicated. From 20 to 30 parallel programmes on labour resources, financed by numerous federal establishments, are carried out in many big cities. Six sections in three departments are in charge of state lands and national parks.

How does all this affect the functioning of the state apparatus? The answer is provided by officials of the top government bodies of the USA.

The US News & World Report published revelations by a high-ranking official of the US Department of Energy who had left his post. He writes that many have ambitious plans when they come to work at government institutions, wishing to do their job the best way they possibly can. But they see people around them doing nothing but reading *The Washington Post* and drinking coffee. After they are through with the newspaper they have a lunch, he says, and after

lunch they are sobering up and the work of those who do not have a drinking habit is just as bad. Incompetent officials are very hard to fire. They are not punished for waste of money and poor efficiency, but are promoted to posts above their competence. The officials who fail to handle a job properly are given higher posts somewhere else.

Favouritism has a big role to play in government appointments. Already Tocqueville wrote that when President Jackson came to power in 1828 he dismissed 1,200 civil servants for the sole reason that he wished to install his own supporters in their place. The distribution of posts became a reward for the services done him personally. All journalists who worked for the President, received good posts, and he even picked out candidates for the Supreme Court from among his friends.

Today, political morals in Washington have not changed. An investigation conducted in recent years by the Civil Service Commission has revealed that the leaders of six government programmes had been appointed illegally, through connections with friends, and four of them were unqualified for the job. After the investigation about twenty people resigned, but nearly thirty more do not suit their posts, the commission concluded.

Jay Solomon, who for several years headed the General Services Administration catering for government institutions, compared the government with the private sector and said the federal government had to learn a good deal to be efficient. But the very process of its work, he said, made this impossible: the government is not accountable to anyone. Fulfilment of decisions is rarely verified in the federal government. Once a decision has been made, an official would seldom find out if his decision is being carried into life.

In Solomon's opinion, the level of professional training and competence of officials in the US government apparatus and the demands made of them are lower than in the private sector and that only a few of them could prove competitive on the labour market and get a job in a private company. There have been instances when high-ranking officials offered their friends posts that were practically unnecessary.

The head of the General Accounting Office and aid to the Minister of Justice in the Carter Administration said that, by their estimates, roguery and embezzlement in the federal government ran into about \$50,000 million. Meanwhile dismissal is rarely practised in government offices.

Bureaucratized government agencies are often castigat-

ed for being too low-g geared. In this respect governmental agencies are comparable with Congress committees and subcommittees where bills get stuck for years.

But, perhaps, the worst result of the bureaucratisation of the US political institutions has been the effect of this process on the individual. The "American model" traditionally encouraged initiative, enterprise, individualism, readiness to go one's own way and defend one's own views. Bureaucratic organisation is shaping a diametrically opposite type of individual whose chief psychological and moral features are political, ideological and moral conformism, a tendency to fulfil duties imposed from the outside and standardisation of needs and interests.

By hamstringing individualism bureaucratisation does not lead to collectivism because bureaucratisation is merely an ersatz collectiveness, having only its outward signs but not the internal content. Formalised lack of personality, with man becoming a cog in the universal administrative machine, standardisation of all life—not only of work but also of pleasures and family relations—anti-intellectuality combined with dodginess in life, a tendency to shift one's work on others and, which is the main thing, to comply with the demands of the hierarchy—these and other features of modern conformism mean, in fact, the crumbling of the individual inevitable under capitalism.

Even a number of American scientists show a growing concern over the ways of the development of statehood in the United States, the steady spread of bureaucratism, conformism and depersonalisation, and increasing alienation in every sphere of the life of society. In recent years criticism of bureaucracy and ineffectiveness of the "big government" have become the hobby of US conservatives demanding that many functions of the government be eliminated or handed over to the private sector and, above all, that the government's promises to the poorest sections of the population be cancelled. But this criticism, tendentious in its motives, which was also used by the Republican Party during the power struggle in the late 1970s, reveals, if followed down to its logical end, many real abuses by the authorities, the dominance of bureaucratic mechanisms in the state apparatus, and a low moral level and incompetence of many professional politicians and leaders in the United States.

Decentralisation of Power or Disintegrating America

The shaping of the huge and ineffective bureaucratic machinery of the federal government, suppressing personal

initiative and undermining democracy, is in glaring conflict with the principles of the "American model". Did the Founding Fathers of the American Republic foresee all this? Most probably they did. At any rate they attempted to limit as much as they could the powers of the federal government and to retain the broad rights of the individual states.

Before 1788 the United States resembled a supranational organisation like the European Economic Community rather than a modern centralised state. Each of the 13 states had a free hand in all matters with the exception of national defence and foreign relations. And even in these two areas the federal government had no right to make important decisions without the consent of at least 9 out of the 13 states. As a matter of fact, the functions of the federal government were performed by Congress which practically had neither an apparatus nor financial resources of its own, nor ministers, nor judges, nor any other effective instruments of implementing its decisions.

Such decentralised power could not, naturally, satisfy the young and rapidly developing nation. Therefore the Constitutional Convention, which met in 1787 in Philadelphia, passed a decision on centralising power, granting broad powers to the US President and Congress and to the Supreme Court. Nonetheless, the states still enjoyed considerable rights: in their competence remained the holding of elections, police functions, development of their own legislation and control over its observance, establishment of their own taxation system, and so on. The states undertook to deal with most of the problems involved in education, medical care, social maintenance, capital construction and transport development.

However, the federal government gradually claimed some of the rights of the states, thereby trying to place them under control. In the 20th century, when American society entered the phase of imperialism, there occurred a marked weakening of the positions of the states in the US power structure. Only fifty years back the states accounted for three-quarters of all US expenditures, whereas today their share does not go beyond 30 per cent. The rest of the spending is done by the federal government.

At that juncture the voices of those who believed that excessive centralisation of power in the country was undermining the basic principles of the "American model" were louder than ever. Washington cannot take into account the specifics of all the fifty states—the problems are to be tackled by those who really face them, they declared. The critics of the oversized federal government demanded that a part of its duties be given to the states or to local

authorities. That, in their view, was expected to make the state regulation of the US economy more effective, inject fresh life in the country's political institutions, and draw large sections of the US population in political activities.

Over the past decades several US Presidents have taken efforts to that end. Already Lyndon Johnson proposed the "co-operative federalism" programme envisaging a substantial increase of the role of the states in performing the social and economic functions of the government. Richard Nixon came up with his plan of "new federalism", under which a number of measures were already taken. In particular, the states were handed a share of federal revenues from the income tax, and the rigid limits on spending federal subsidies were lifted.

But these half-measures, often inconsistent as they were, could not reverse the decline of political activity in the states, and enhance the effectiveness of the government programmes of combating inflation and unemployment. Nor could they end the crisis of American cities, or prevent a further growth of federal bureaucracy. The states demanded not only greater federal aid, but also a complete restoration of their powers and constitutional rights usurped by the federal government under the pretext of an emergency situation during World War II, and during the Korean and Vietnam wars. According to the public opinion polls conducted in the 1970s, 80 per cent of the Americans believed that the federal government too often interfered in the internal affairs of the states and suppressed their initiative which, in the final analysis, hampered the socio-economic development of the whole country.

In view of these sentiments, the Reagan Administration advanced its own programme of "new federalism" which goes a long way farther than any previous programme did. Reagan's "new federalism" provides for a transfer (or a return, to be more exact) to the states of 43 governmental programmes which hitherto were financed by the federal government. The federal authorities were gradually giving up programmes like mother and child care, aid to public transport and airports, maintenance of local highways, environmental protection, vocational training of young people, the combating of crime, drug addiction and dipso-mania, labour and health protection, and so on. The total cost of the programmes is near to \$50,000 million annually. The White House expects that by 1991, when the "new federalism" concept is fully translated into life, the federal government will be able to concentrate entirely on national security and foreign policy, on control over the federal budget and money circulation, and on a number of

programmes of aid to farmers and the old-aged.

At first sight the "new federalism" programme looks rather democratic and attractive: decentralisation of power will, at long last, relieve the Americans of the total power of Washington bureaucracy, give the states a real chance to solve their problems on their own and enhance the political activity of the US population. It would seem that the developing countries, most of which are rather motley communities torn apart by national, racial, religious and regional contradictions, should not think twice about introducing the federal principles of the "American model" in their state structure. But let us not jump at conclusions and see what "new federalism" can really mean for the American people in practical terms.

First, is the bureaucratic machinery of the states any better than the bureaucratic machinery of the federal government? Is there no corruption and an abuse of one's position? Are not the key posts in the states handed out in accordance with the services done to the governor personally? All the negative features of Washington bureaucracy are also typical of bureaucracy in the states. Moreover, in the states civil servants engage in unlawful actions, as a rule, more openly than in Washington, for in the provinces it has always been easier to conceal machinations and abuses.

Second, the "new federalism" programme in practice means drastic cuts in major socio-economic federal programmes. Under the pretext of returning the states their lost powers, the federal government gives up the financing of social security, aid to the poor, and measures to combat degradation in the central districts of big cities and environmental pollution. Considering that the debts of the states total about \$400,000 million, it is unlikely that they will be able to keep the programmes handed over to them at the previous level, not to mention increasing them.

It is symptomatic that the federal government gives up not all social programmes, but only those meant for the poorest sections of the population. Reagan, for instance, did not venture to encroach upon the most expensive programme—social insurance, because a very influential group of voters from among the middle strata are behind it. This refers also to medical care. The fear to lose another large group of voters—the farmers—compels the government to retain some of the programmes on agriculture.

But when it comes to the poor—the unemployed, immigrants, single mothers, and racial minorities—"new federalism" acts ruthlessly. For instance, the elimination of the programmes of aid to the families with children under age

and the food coupon programmes will affect 11 and 22 million people respectively.

The federal government hands over to the states also the programmes it failed to cope with. It has failed to solve the problems of the cities, vocational training, and unemployment. Naturally, the states, having meagre resources, will not be able to solve these problems either, which will inevitably set off popular discontent. But that discontent will be levelled not at the federal government but at the local authorities.

Third, and this is perhaps the most significant, the implementation of the "new federalism" programme is sure to cause a sharp growth of conflicts between states themselves, and also between the states and the local authorities, and between the states and the cities. It is not for nothing that the press calls the "new federalism" of Reagan "new feudalism".

Uneven economic development is conspicuous in the USA today as before. The rapid growth of the South goes parallel with mounting economic difficulties in the Northeast and chronic depression in the Middle West. The government programmes have somewhat balanced the regional disproportions, but the implementation of "new federalism" programmes will speed up these dangerous tendencies which can lead to serious social cataclysms.

What is more, "new federalism" will aggravate the contradictions between the authorities of the states and the county authorities. According to the US Constitution, only the states enjoy all administrative rights, while the county authorities receive their powers from the states, each time formalising them by a corresponding act of a state's legislative assembly. The state can change the competence of the county authorities to its own discretion, introduce or cancel local taxes or programmes. Meanwhile the fast-going urbanisation in the USA and the serious problems it has caused require new means, greater local initiative and maximum flexibility on the part of the county authorities.

Thus, the municipal authorities of the cities, bound hand and foot by constitutional restrictions, are compelled to beg the administrations of the states and county authorities for handouts. As for the authorities of the states, they are not too eager to solve city problems, for the greater part of people in the middle sections, not to mention the richest Americans, have long since moved from the cities to comfortable suburbs. The cities have become the place for the poor who most often ignore elections and therefore do not interest the authorities of the states.

All the more so since after the flight of well-to-do people from the cities the tax revenues from them have dropped low and the states have to incur losses to solve city problems.

That is why over the past decades the US municipalities have been carrying on a stubborn struggle against the authorities of the states—often to no purpose—demanding an increase of financial resources and broader rights. But the authorities of the states patronise the suburbs, granting them financial benefits and broad self-administration and making them independent of the cities.

Previously the cities could at least appeal to the federal government, seeking its protection from the arbitrariness of the states. But now “new federalism” has made the cities utterly dependent on the forces hostile to them, which compounds their problems immensely. Under the Reagan Administration 70 per cent of the municipalities of the biggest US cities have reduced the number of employees, 82 per cent cut back allocations for social programmes, and 92 per cent reduced their education programmes. Large housing projects and reconstruction of the outdated communal services and municipal economy have been postponed indefinitely.

As we see it, “new federalism” cannot be regarded as an effective alternative to the centralisation of power in the hands of the federal government. The point is that the authorities of the states, just like the US government, guard the interests not of the whole of society but those of the wealthier social groups; for this reason alone they have no interest in solving national problems. Besides, the “American model” is peculiar in that the prosperity of some people always means new difficulties for others. Each juridically independent administrative and territorial unit acts on its own, ignoring the interests of the neighbours, and often causing harm to them. The suburbs are at war with the cities, the cities struggle with the states, the North-east defends itself from the Southwest. As a result, national unity is weakened, common goals are lost, and social polarisation is increasing. Administrative reforms are not enough to reunite the United States. A revision of the economic laws underlying the “American model” would be required for that.

Erosion of Political Traditions

“Liberal” and “conservative” are perhaps the most widespread political labels in the USA today. Ask any American, who are the chief contestants in the political struggle and most probably the answer would be: liberals and

conservatives, or Democrats and Republicans. Liberalism and conservatism are the respectable centre in the political spectrum and to be with it means to display political loyalty to the system. Because to the left of the liberals are Social-Democrats and Communists; and to the right of the conservatives are reactionary and right-wing radical groupings.

Just like Tweedledum and Tweedledee in Lewis Carroll's *Through the Looking Glass*, liberalism and conservatism are constantly at loggerheads with one another, but they never part. Their rivalry is believed to be a major display of political pluralism in the "American model". But in actual fact this tandem arrangement unites the ideological systems which are not very much opposite. US liberals and conservatives set great store by the same bourgeois values and differ mainly on ways of bringing society in line with these values. This accounts for the change over the last two decades in liberal slogans and positions which in the past were considered conservative and vice versa—modern conservatives come out for a free capitalist market, for the protection of the "small man" from the "big state", that is, exactly what liberals came out for in the days of the Founding Fathers.

As political struggles in the USA are fought over two alternating bourgeois political programmes, the ruling circles have a good chance of bringing various groupings alternately to the top. This system has its own advantages, for it does not allow the ruling group to stay idle so long as it comes under constant pressure from the opposition criticising the drawbacks and slips of the government. But the movement of this pendulum is strictly limited. Real opposition, which demands not a change of priorities within the existing social system, but a replacement of the system itself, is being pushed aside by the liberal-conservative and Democratic-Republican dyads, away from political power.

For that end, a wide use is made of the two-party system in the United States, in particular, of numerous privileges which the two American "great parties" juridically reserve for themselves for the term in power, as also of discrimination against the "third parties" and "third political forces", which they legalise in good time as they enjoy great influence in the legislative and executive organs of power.

But doesn't such a system threaten genuine democracy? The prospect of implementing a policy on a narrow two-party basis evoked the understandable concern of the Founding Fathers. John Adams noted in 1780 that the worst form of political organisation under a constitution, like the one adopted in the country, would be a political

course controlled and pursued by two powerful political parties. This, he believed, would lead to unrestrained political intrigue and thus render political leadership irresponsible and time-serving. Today it is obvious that the worst apprehensions of the Founding Fathers have come true.

Strictly speaking, the fact that the two parties come alternately to power in America is not directly associated with the struggle between liberalism and conservatism. Both are broad systems of world outlook, including not only political but also philosophical, cultural, religious, and moral orientations and values. Nonetheless, in the political sphere conservatism and liberalism use the bourgeois parties as political instruments for achieving their own ends, and it so happened that during the 20th century American liberalism has been associated primarily with the Democratic Party and conservatism, with the Republican Party.

Marked emasculation of these ideological and political traditions and a degradation of the opposed political and party programmes has been the most significant trend in US political life over the past decades.

Half a century back American liberalism was a more or less consistent world-outlook system. The liberals who came to power in the late 1920s and early 1930s, at the time of economic depression, declared that depressions were caused by the irresponsibility of big business and could be avoided by the state's interference in the economy and through a redistribution of profits. In foreign policy the liberals called for the prevention of war by means of international co-operation. Adapting themselves to the conditions obtained in the United States at that time, the liberals specified these goals as a striving for stable economic growth and—some time later—for security for the USA and its allies on the international scene. Since the former goal could be attained solely by winning the support of big business, and the latter one by enlisting the support of the military, US liberalism found itself in the vicious circle of dependence on exactly the two forces it had come out to restrain.

Instead of helping to overcome the depression and ensure world peace, the policy of the Democrats who followed a liberal course of the state's active interference in the economy, has only slightly weakened the crises which regularly hit the US economy, while on the international scene it led to the cold war as a result of the adventurist attempts to "pressurise" socialism.

The changes that have occurred in American conservatism and, consequently, within the Republican Party, are

even more dramatic. Before they turned to expansionism, the conservatives staked on local (in contrast to central) power bodies and on the policy of isolationism in the international arena. They saw inflation as the greatest social evil. The best way of preventing it was, in their view, to limit the government's role, on the one hand, and to allow an unlimited and tough capitalist competition in the economy, on the other. Low taxes—which was the central idea of the Republican programme—did not allow costly ventures abroad, which was well in keeping with Republican concept of isolationism. It was assumed that military service in peacetime, large contingents of US troops abroad, a far-flung espionage network and expensive military programmes were out of keeping with conservative principles. This traditional approach was labelled "outdated" by the conservatives who came to power in the 1980s and elected, and in four years re-elected, their man for President—Ronald Reagan.

American conservatives today stake on the huge war machine and interventionist foreign policy. Speaking on behalf of local communities and local power bodies, the Republican Party in actual fact is winding down environmental protection measures, disrupts the efforts by the local authorities to prevent the shutting down of factories and negligence of some regions, kindles strife between the "old" industry of the Northeast and the "new" industry of the Southwest of the USA. Claiming to represent the moral majority, the conservatives pass over the human rights issue in silence and give open support to dictatorial regimes in a number of developing countries. Declaring strict observance of the Constitution, the Republican conservatives would not stop short of any means to defend what they call "the national interests of the USA".

Champions of social justice who increase social inequality, peacemakers who provoked the cold war and the war in Indochina, and "internationalists" and "global humanists" offering developing countries not so much economic aid as political and military interference in their internal affairs—this is the political image of American liberals today.

The programmes of their opponents are just as controversial and unattractive. Proponents of decentralisation of power who seek dominant positions and world domination for the USA, advocates of low taxes approving excessively wasteful military programmes, and "isolationists" intending to change the world in keeping with their own standards—the US conservatives are trying to steer the nation along the path of economic and political expansion, which tends to aggravate many social problems.

In the period of intensive economic growth after World War II the liberals believed in crisis-free development and expansion, while the conservatives preached prudence. As the economic growth was slowing down, the conservatives began to demand wider opportunities for capitalist competition, while the liberals warned that that could lead to dangerous consequences. Political contradictions between conservatives and liberals have been reduced mostly to debate on these issues: Will the economy be saved by state-monopoly regulation? Should the state provide aid to the poor? By what means—military or political, economic and ideological—should US strategy be implemented in the world arena? A solution of these problems should, in the opinion of both liberals and conservatives, ensure a better functioning of the present economic and political institutions. Instead of setting long-range goals, drastically changing the direction of the development of US society, both parties and both predominant trends in political thinking still carry on a heated but futile debate on the best ways of attaining the goals which in the present conditions are unattainable.

“Levelling out” and emasculation of political programmes breed disillusionment among ordinary Americans who no longer believe that politicians can solve the problems confronting society. Refusal by millions of Americans to vote in both local and federal elections is evidence of the growing political indifference in the country. Presidential elections draw to the ballot-boxes only about 50 per cent of the Americans eligible to vote, and the number is steadily declining. Less than 55 per cent of eligible Americans voted in the 1980 and 1984 elections. If the existing trends persist, then the largest political grouping in America will consist of people uninterested in politics.

The evolution of the American political model has already today shaped a situation in which half or more people in the country can be excluded from the democratic process of making major political decisions, while those at the helm in society see nothing unacceptable or even unusual in this. However, the Americans living under the economic system which at times leaves them without jobs in the name of “economic prosperity” should not be surprised that the US political system can trim down their civil rights in the name of preserving “American democracy”.

Demopublican Coalition

It is hard to tell how many political parties there are in the United States today. If one counts all associations and

groupings pursuing political goals, one will find tens of thousands of them. But if one counts organisations with a nationwide structure which take part in presidential elections and elections to Congress, their number will be reduced to thirty. Considering how many of them can really claim political power in the country, their number will decrease down to two—the Republican and Democratic parties. But, taking into account the social and class nature of the ruling parties, it must be admitted that only one party exists in the United States—the party of American capitalism.

Nonetheless, the US political system has been traditionally considered a two-party one. However, political life in the New World was truly bipartisan only during the War of Independence, that is, before the United States was formed. The two opposite parties at that time were the loyalists and insurgents. The difference between them was radical; their goals were incompatible. The loyalists were faithful to the British crown, worshipped Britain and collaborated with the colonial authorities. The insurgents came out for freedom. They hated the British and fought against the colonial administration. In the end the loyalists were crushed together with their British patrons, after which they vanished from the American political scene once and for all.

After the formation of the United States the parties were long forgotten. The “American model”—the way it was conceived by the Founding Fathers—envisaged no political parties at all. They were not as much as mentioned either in the Declaration of Independence or in the US Constitution—the Founding Fathers wanted to be the fathers of the nation and not of self-seeking political groupings. They had known the unattractive British two-party system, its cheap and vile political intriguing and betrayal of national interests. John Adams, the second President of the United States, said that the most horrible political prospect for the United States would be two huge party machines concentrating all political power in the country in their hands.

At the initial stage of American history, too, political struggle did not abate for a day. Various groupings and coalitions—Federalists, Anti-Federalists, Whigs, Republican Democrats, National Republicans—emerged and broke up. All of them were not independent parties but something like temporary factions of a single party.

But the apprehensions of John Adams became a reality. Merely a hundred years after the formation of the United States, the “American model” assumed all the main features

of the British two-party system. The Republican and Democratic parties monopolised power in the USA. Each of them formed its party apparatus, set up numerous committees across the country, found finance sources, and devised a set of political slogans and ideological stereotypes.

It took the Republicans and Democrats more than one decade to separate organisationally and to build a two-party system into the "American model". It is noteworthy that the more perfect the two-party machinery became, the greater were the formal and organisational distinctions between the Republicans and the Democrats, the more perfect their election technique became, and the less essential were political differences and ideological contradictions between the two major political parties. Many US sociologists totally deny the fact that a two-party system exists in the United States (at any rate as it is understood in Europe where a two-party system usually means a struggle between conservative bourgeois parties and social-democratic reformists). They even coined a new name—the "Demopublican Party".

Their common class background, common main principles and goals do not rule out considerable discord and even opposite views on some problems. It is this discord and tactical differences that make up the basis of the "American model" in the political area: the Republicans and Democrats carry on an acute political struggle, succeeding one another as ruling parties, creating an illusion of a democratic American society.

The differences between the two parties lie mostly in their social backing. The Republicans are closer to the industrial and financial elite and the biggest monopoly groups. The Republican Party leadership relies on various associations of employers, bankers, and rich farmers. On the other hand, it enjoys the backing of so-called "middle sections" of the US population: town dwellers, small shopkeepers, employees, and professionals.

The Democratic Party relies on big business to a smaller extent. But the Democrats enjoy greater influence in major industrial centres. Among their voters there usually are workers, national minorities, immigrants and other social groups that are most hard up. The Democrats traditionally maintain close contacts with the US trade union movement, primarily with its largest centre—the AFL-CIO.

The socio-economic programmes of the two parties differ accordingly. The Republicans usually demand maximum freedom of action for private enterprise, easy financial terms for big corporations, smaller government regulation of the economy, and cuts in various federal programmes.

During election campaigns the Republicans attack the "big government" and Washington bureaucracy, and demand decentralisation of the government apparatus and broader rights for states and municipal authorities.

The Democratic Party shows more flexibility in social manoeuvring including a wide use of economic regulation by the government, redistribution to some extent of the national income in favour of the poorest Americans, and adoption of long-term state social programmes. To preserve the "American model" as a whole the Democrats demand that most obvious abuses by the biggest corporations be curbed and dangerous polarisation of American society prevented. While the Republicans regard inflation to be the main economic problem in the country, Number One problem for the Democrats is unemployment.

So there *are* differences. During election campaigns they are intentionally exaggerated. The Republicans charge the Democrats with suppressing the freedom of the individual, giving up America's traditional values and subordinating all economic and social activities to the bulky and ineffective state machinery. The Democrats, for their part, castigate the Republicans for outdated programmes, for a tendency to ruin the economy and for flirting with big business.

Yet most Americans have long been totally indifferent to the election tug-of-war between the Republicans and the Democrats. In contrast to what is alleged by politicians and champions of "American democracy", an ordinary American would never say to himself as he learns about the election results: "Boy, it's Reagan at last!" Chatting in a bar he would not repeat after a drink: "Well, now it's a lot better than it used to be under Jimmy Carter, damn him." And, back home at night, he would not announce solemnly to his wife: "I'm with the Republicans, dear. Starting tomorrow."

Americans, sober-minded as they are, would not waste time and effort on pre-election struggle, for they know that everything would remain unchanged on the whole, whatever the outcome of an election. The Republicans would never entirely give up state regulation of the economy and social programmes, while the Democrats would never turn socialist, nor would they dare to challenge big business or radically improve the conditions of the poor.

To be sure, changes occur in the "American model" itself. But these changes are related very little with the activity of political parties and are not in the least brought about by election promises of one or another party. It is the other way round: the parties do everything to adapt themselves to a situation and thus reach the summit of

political power. The parties, like an experienced stock-broker, can bear and bull, availing themselves of both economic recoveries and recessions, of tides of liberalism and conservatism in public consciousness.

The difference between Democrats and Republicans vanishes altogether when it comes to foreign policy. Some time in the past the Democrats were believed to be champions of active foreign policy and the Republicans were considered to prefer the cautious strategy of "isolationism". But those good old days are a thing of the past. After World War II both parties in turn conducted wars of aggression in Korea and Vietnam, launched armed interventions abroad with equal zeal, passed over to each other record-high military budgets and unprecedented strategic programmes. The two-party character of foreign policy is passed off as a supreme civic virtue. Therefore Republican President Ronald Reagan, looking for a proper foreign policy course, seeks the advice not of former Republican Presidents Nixon and Ford, but of Harry Truman, a Democrat, who clinged to cold war principles more than others.

The attitude of ordinary Americans to the two-party system is seen most clearly from the statistics on the number of people taking part in presidential elections (among those enjoying suffrage): 62.8 per cent in 1960, 61.8 per cent in 1964, 60.9 per cent in 1968, 55.4 per cent in 1972, and 54.4 per cent in 1976. In 1980 this figure decreased to 52.3 per cent of the voters (87 million). Political analysts from the Democratic Party had predicted the active electorate in the 1984 election to rise to some 100 million. Their predictions went away, however: the actual growth did not exceed one and a half per cent. Most political analysts and publicists in the USA and in other countries are unanimous in the view that in the 1984 presidential election the US citizens voted for Ronald Reagan's "plain" personality rather than for an articulate political programme, and least of all for the Republican Party. Characteristically, Reagan, the Republican, has won the votes of many Democrats, too: these helped him stay in the White House for a second term. Utter devotion to the political programme of the one or the other of the two leading bourgeois parties is a rare thing in America today, so more and more people cast their ballots for anything but the candidate's party affiliation.

Those who cast their votes often do it not because they like their party but only because they are displeased at the declining living standard, the dominance of monopolies, the helplessness of the government, mediocrity of federal clerks and stupidity of the generals. They do not vote "for"; they vote "against".

As it always happens, the absence of a real alternative leads to political passivity. A society which is unable to offer its citizens a genuine right to choose cannot expect their loyalty. Then the political system runs idle, and democracy gives way to political intriguing.

Two-Party Monopoly

As the American two-party system is in the grip of a crisis, one should expect that the third parties capable of challenging the policy of the demopublican coalition with a real alternative have a good chance to do so. But that is not so. The time of "free competition"—economic and political—is part of history in America. The giant party machines of the Republicans and Democrats are, in fact, the same monopolies as the General Motors or Shell. They divided the US political market a long time ago and, for all the differences between them, display remarkable unanimity whenever it concerns preservation of the two-party monopoly. The gradual outflow of voters from the two major parties only facilitated the carrying out of a series of legislative measures designed to keep them in power. And every new attempt to pull down the demopublican bastion was followed by the construction of new fortification walls around it.

At present there are at least five barriers in the way of the third parties seeking an opportunity to wedge themselves in between the Republicans and Democrats.

The first barrier is the majority vote system. As distinct from most Western countries where a proportionate representation system is adopted, the principle of the "American model" is "the winner gets all". In other words, only the votes cast for the candidate who has won the majority are counted. The rest of the votes are lost and have no influence on the composition of Congress or the Administration. There have been many instances in US history when the third parties won a few million votes but were not represented either in the White House or on the Capitol Hill, nor even on the level of states' authorities. The point is that in every electoral district, when they fell behind either Democrats or Republicans, even if only a little, they were simply cast aside.

The second barrier is registration for elections. The Republicans and Democrats are invariably on the ballots of all the fifty states. But for the third parties to be on a ballot means to go through a host of formalities and most complicated procedures and to spend a good deal of time and effort. Each state has its own regulations. In California,

for instance, a new party which wants to be on the ballots should present a petition signed by 713,000 voters. In New-York such a petition is to be signed by only 20,000 voters, but at least in 20 election districts. In Florida a new party must pay 10 cents for every signature in a petition. In New Hampshire every petition should be written on a separate form, and every signature should be certified by a municipal official. And so on. If the Republicans or the Democrats had not made an exception for themselves in good time in the overcomplicated voting regulations they had designed, they would hardly have all their candidates on the ballots of all the fifty states.

The third barrier is federal financing. The demopublican twosome has drawn up and approved a series of acts enabling the two parties to finance their election campaigns largely from federal funds. In 1980, for instance, the Republicans and Democrats received from the US government over \$105 million for the election campaign. The money was fairly divided between the two parties. The candidates of all the other parties did not receive a cent from the state. But as regards financial accounts and inspections, much more attention is accorded to the third parties than to Republicans or Democrats. This is understandable, for the election campaign is watched closely by the Federal Election Commission consisting of three Democrats and three Republicans.

The fourth barrier is the mass media. The Democratic and Republican nominees are constantly in the focus of attention of radio-broadcasting and TV companies and the main newspapers and magazines in the country. The Americans are told everything about the candidates: their political views, biographies, habits, hobbies, life stories of their acquaintances, habits of their relatives, and so on. The nominees of the third parties are granted at best two or three minutes by the national TV companies during the half a year of intensive political struggle.

The fifth barrier, the inertia of thinking, is, perhaps, the most insuperable. The idea of the fairness, effectiveness and stability of the two-party system in the United States is expressed, one way or another, in textbooks on history, in newspapers and magazines, in speeches by statesmen and in lectures by most outstanding lawyers. The thesis has now become traditional that an elimination of the two-party system would inevitably result in chaos in the country's political life and would call in question the existence of the "American model" as such. There is a tacit agreement between the Republicans and the Democrats that during the election campaigns they should avoid

a discussion of the election programmes of the third parties and reject these programmes offhand as unconstructive and irresponsible.

Thus, the obstacles put up by the Republicans and Democrats are reliably effective. But one should not regard them as unsurmountable. There are loopholes for the right-wing parties and groupings, not very large but sufficient enough for ultra-reactionaries retaining a certain political influence. Their activity not merely breaks the monotony of political activity in America today; it helps to strengthen the positions of the big parties, for the open extremism of the ultra-rights sets off favourably the respectable moderateness of the Republicans and Democrats.

As for American Communists and other left-wing parties, there are no loopholes for them. Way back in the 1950s, Congress actually placed the Communist Party outside political life in the United States, depriving it of all the rights and privileges enjoyed by any other political party. And though subsequently the Supreme Court was compelled to admit that the resolutions of Congress to that effect were unconstitutional, they are still widely applied on the level of the states: 29 states have approved their own bills prohibiting Communists to have election candidates either by directly expressing this prohibition or by demanding that they should make "oaths of allegiance". The leaders of the Republican-Democratic coalition know very well who threatens their political power monopoly.

The existence of two-party monopoly causes great harm to political activities in the United States and drastically reduces the number of political alternatives, practically excluding large sections of society from active political life. The use of this element of the "American model" in developing countries could cause still greater harm, because most of them are rather motley societies divided by ethnic, religious, language, racial or regional differences. An attempt to squeeze these differences into the narrow framework of the two-party system would inevitably result in ignoring the ethnic, language, religious and racial minorities and, consequently, in incessant conflicts and separatist movements.

Even if taken in its original form, the "American model" does not fit into the political realities in developing countries. In the United States, as in most of the other Anglo-Saxon countries, democracy in the broad sense of the word was conceived as the power of the majority, as a conflict between different points of view, one of which should win and be realised in political decisions. In most of the European countries, by contrast, democracy is understood as

representation in government of all political trends—Socialists, Liberals, Communists, Conservatives, Christian Democrats—in proportion to the support they enjoy among the population, so that the minority, too, would have the right to vote and to participate in the solution of problems confronting their country.

Precisely this model of democracy is more acceptable for developing countries. The “American model”, which actually rules out a need to seek a compromise, thus rules out any possibility for achieving a broad national consensus, which is so needed for the accomplishment of the great tasks of economic development confronting the newly-free countries.

On the Other Side of Political Vacuum

Time has posed new tasks to the American political model. Today, it is expected to ensure a broad political discussion and political decision-making on problems which had never been in the focus of political struggle. These are the problems of safeguarding peace and curbing the arms race, of overcoming backwardness and eliminating famine in developing countries, of restructuring the relations between America and other countries on a fair basis—problems that have been caused by tendencies of modern world development. Among them also are problems of preventing ecological, raw-material and energy crises which call for a new attitude to the environment, its protection and rational utilisation. Public opinion, the trade unions and public organisations in America are worried by problems like preservation of the humanistic and creative aspects of labour in the conditions of spreading automation and specialisation of production, the crisis of human relations in families and between neighbours, and a lack of elementary mutual assistance among people. The Americans have reason to believe that it is impossible to overcome these crises and solve the problems of today without nationwide political debate and political decisions.

Are the old bourgeois parties prepared to discuss these problems? Are the government departments capable of carrying out effective measures to that end? The US public has serious doubts about it. The pressing problems of our time appear to be “alien”, strange and “disadvantageous” for the bourgeois parties and governments, and so they find no room within the established framework of conservative or liberal social philosophy.

These problems attract the attention of other particip-

ants in political activity. Genuine concern over the future of America was displayed by the *mass social movements*. At this juncture they are among the central participants in the country's political life, their actions breaking up the canons of the American political model.

The antiwar mass movement first asserted itself as an influential political force during the Vietnam war. When the hostilities in Indochina ceased, analysts said the movement was bound to disappear. The revival of the antiwar movement in the US in the 1980s was somewhat unexpected, though, in the unanimous opinion of political analysts and journalists, it now pursues long-range and bigger goals of eliminating the nuclear threat and military danger in general. Its members are ever better organised and informed, and even those members of society who traditionally stood aloof from politics are being increasingly involved in the movement.

The early stage of the US peace movement of the 1980s showed that the local communities expressing the spontaneous aspirations of Americans, which do not fit into the traditional forms of political action, have played an immense role in shaping nationwide forms of political protest. The movement for limiting the nuclear arms race and freezing nuclear arsenals started practically simultaneously in Massachusetts, Vermont and Virginia. In 1980 the voters of three counties in eastern Massachusetts demanded that the President of the United States propose that the nuclear powers end the testing, manufacture and deployment of nuclear arms and their delivery means. In March 1981, 18 city communities of Virginia demanded an immediate end to the manufacture of new types of nuclear weapons. The demand was backed up by the public organisations of 18 cities in Vermont set up by local activists. A year later a similar demand was advanced by as many as 8 election districts of Massachusetts and by over 300 city communities in Vermont and Virginia.

The numerous local organisations and groups joined in the nationwide movement representing various social, trade, religious and age groups. Understandably, today, too, the organisations differ in the approach to the specific problems of disarmament and peace. But throughout the first half of the 1980s the "horizontal" links grew stronger among various groups within the movement. The antiwar movement in the United States today includes a number of organisations having the habitual hierarchical structure, and its regional and local branches are controlled by central organs. But there are emerging a number of groups of various directions which, retaining initiative and self-

administration, learn to co-operate on a national scale with various political allies. The conferences held by the peace forces are attended by delegates of dozens of public organisations and groups with a membership totalling millions. Coordinating centres have been set up, like the National Campaign for Nuclear Arms Freeze, which help promote contacts among the groups joining the movement.

In the new public movements their members are more politically aware, they use modern communication means, and have information and research centres. Information for the peace forces in the United States is provided, for instance, by the widely-known Center for Defense Information and Ground Zero set up in the early 1980s by Roger Molander who formerly worked on the National Security Council. The Ground Zero was set up to tell the broad public about possible consequences of nuclear war and to elaborate recommendations on strategic arms limitation; and for some time it covered the whole country by some or other form of activity. More than 8,000 activists operated at 300 universities, in 150 big cities, in 500 townships and other residential areas. The new public movements are using various forms of political action. Many local township and city communities make official decisions in declaring their territory "nuclear-free zones". Each year hundreds of thousands of copies of specially issued books, pamphlets and other information material are distributed among the population. During the Ground Zero Week in 1982, for instance, hundreds of lectures, seminars and discussions were held and films were shown all over the United States to draw public attention to the mounting threat of a nuclear holocaust.

The peace movement has managed to achieve real political goals. Under its influence the US Congress, the President and his cabinet considered many problems related to arms limitation, which could not have become an object of public discussion in legislative and executive bodies without that pressure. For several years it was possible to hold back the financing of the long-prepared B-1 bomber project, and the allocation of funds for the manufacture of the MX and Pershing-2 missiles was put off for definite periods under the impact of a number of factors and to no small degree due to public pressure. The nuclear arms freeze issue brought up by the numerous organisations and groups of the peace movement set off a sharp political debate, was reflected in special resolutions in Congress, and became a major issue of political division among presidential candidates in the 1984 election campaign.

The activities of the movement of public protest against

US interference in the affairs of the so-called Third World countries, against "new Vietnams", and against US interventionist policy are less coordinated and less centralised. However, the provocative or interventionist actions by the US government against Nicaragua, El Salvador, Grenada and other countries are responded to by the setting up large and very active public groups and organisations expressing political protest and launching actions to counter these provocative policies. The movement comprises organisations of various directions representing diverse sections of society. A clear example of this is the massive manifestation against US interference in the affairs of Central American states held in the spring of 1982 in Washington. The manifestation was organised jointly by the American Indians Movement, Black Veterans for Social Justice, the United Black Front, and also a number of women's, student, pacifist and Christian organisations, influential trade unions, and the Communist Party, USA.

The demonstrators demanded allocations for "employment, not war" and respect for the right of newly-free countries to self-determination and to a free choice of the path of development. They demanded a renunciation of the interventionist foreign policy under which the interests of the poor in America are sacrificed in favour of arms build-up and an ideological "crusade" against communism and liberation movements in developing countries.

Today the powerful labour movement in the USA has grown more militant and united. It is now using many forms of organising the working people's struggle for economic and political rights. The "independent" trade unions which are not in the large associations like the AFL-CIO have a great role to play in the movement. The militant "independent" trade unions are more consistent in defending the vital interests of the working class than the "old" unions that stick to conciliatory positions.

A search is under way for new and effective forms of influence to be exerted by the working people on the social, economic and political processes in the country. The goal of this quest is clearly outlined in the new Programme of the Communist Party USA which says, that socio-political change is needed now, that as a result of that change the people themselves will administer society through elected government bodies and through labour unions, factory committees and co-operatives, through farmers', professional and public organisations.

The US working class now concentrates not only on economic demands but is advancing social demands and programmes envisaging deep-going reforms in the country.

The Communist Party consistently expresses all these demands, saying that a struggle should be fought for the right to work for a wage guaranteeing a higher living standard, the right to adequate housing, to good education at the expense of the state, to all-round medical care, the right to use public transport, and the right to own the productive forces in their own country.

A broad public movement with new political functions and organisational forms is the movement of environmentalists. Comprising numerous organised and non-organised groups, such as Earth Friends, the Natural Resources Defense Council, the Environmental Fund, the National Federation for Nature, and the Audubon Society, to mention just a few, this movement challenges the existing political model which is unable and unwilling to restrain the big corporations that are to blame for the threat of an ecological crisis.

However, modern environmentalism is not confined to the protection of the natural environment but deals also with problems like health protection at the work place, improvement of housing, the spread of new crop-growing techniques in developing countries, and automation of hazardous production processes instead of their transfer to developing countries where they use local labour.

The environmentalist movement perhaps most clearly demonstrates that in order to counter the ruling circles' policy effectively public activists have not only to use new forms of political action but also to resort to traditional political means, such as campaigning, fund raising, and exerting pressure on legislators.

The emergence of a number of vigorous socio-political movements on the US political scene in itself shows that the existing political model fails to meet the interests of millions of Americans. Not trusting the government, having no confidence in the bourgeois parties and their representatives in Congress, and not believing that the President can suggest and effect real changes, ordinary Americans are seeking ways of taking direct part in the political struggle.

The "American model" presupposes a high political activity of the citizens, but only when public organisations deal with concrete local problems and do not dispute national policy or propose an alternative to it. Today, however, broad popular masses in the USA, barred by the political system from major political decision-making, have come out against it in an attempt to make the Administration heed their demands and discuss, in a democratic way, the problems it ignores.

When millions of people prove by their actions that the existing political system is unable to meet their genuine interests, it is clear proof that the historical model, though progressive in the past, is now a drag on social development, and radical political change is inevitable.

A Threat from the Right

A political advertisement most widely circulated in the USA says America is the most free country with "unlimited" democracy. Over the past few years US politicians have even undertook to "check" how human rights are observed in other countries. Meanwhile a massive onslaught on the democratic rights of millions of people, though not too noisy but disguised under a mask of respectability and legality, is conducted today in the United States itself. In the early 1980s many US politicians and progressive journalists spoke about nascent "fascism, American style" on the domestic political scene. Warnings were heard, referring to the years of McCarthyism of the early 1950s when persecutions of progressives reached unprecedented proportions in the USA. At that time the persecutions were started by right-wing radicals led by Senator Josef McCarthy of Wisconsin.

As is known, the onslaught on the civil rights in the USA which took place in the early 1980s was neither a revival of old fascism nor a repetition of the anti-democratic hysteria of the 1950s. Yet it resembled them in goals and in the means used.

What is really behind the right-wing onslaught of the early 1980s? In the first instance, it is conducted in the interest of the more reactionary and conservative groupings of the US ruling circles and is spearheaded against the democratic sections of the American people and also against liberals in the ruling circles. In this process anti-democratic reforms are announced to be for the benefit of ordinary Americans—the "silent majority". But in actual fact it is all in the interest of the petty bourgeoisie which is fairly well off and has no clear-cut political convictions. The petty bourgeoisie is interested in maintaining its position (which is not too good but is stable) and the traditional values. It can become, as it often happened in the past, a powerful, though clumsy, instrument in the hands of those who manage to convince it that this stability is jeopardised by certain internal or external forces.

The extreme-right leaders promise a new "stability" to be achieved through radical reforms: elimination of the

long-established bourgeois-democratic institutions, measures to end with the "slackness" of liberals and the "indecision" of conservatives. To back up their claims, the extreme right designed a simple and vivid historical model. According to that model, in the early 1930s the United States and Germany overcame the profound economic depression, social disorder and political upheavals in different ways. In Germany Hitler was brought to power, established an authoritarian rule in the interest of the monopoly circles and employed methods of open suppression.

The powers that be in America used a ramified system of state economic regulation and staked on promoting the bourgeois-democratic form of administration and on liberal formulas of tackling social problems. But if 50 years later it turns out, say the right-wingers, that the way of Franklin Roosevelt led into a blind alley, then perhaps it is time another well-known model is tested, all the more so since the first attempt to use it in America was made already in the years of McCarthyism (naturally, its most odious aspects are rejected).

Only a few years ago the majority of Americans would laugh at the very idea that McCarthyism could be brought back in the United States, though, to be sure, it cannot be deleted from US history. It all did happen: the witch hunting, noisy pro-fascist gatherings, political files on millions of Americans, harsh baiting of liberal congressmen, scientists and journalists, and unlawful persecution of progressive public organisations. But historians, sociologists and lawyers were trying to prove that all this was an unfortunate deviation from the democratic traditions of the "American model" caused allegedly by the extraordinary conditions of the cold war.

Now that the so-called New Right operate in the US political arena, all talk about an accidental deviation from democratic traditions sounds ever less convincing. Of course, the New Right differ from the McCarthyists in many ways (otherwise they would not be "new"). They may be told from the fanatics of the John Birch Society, the Ku-Klux-Klan and the paramilitary fascist-like Minutemen. The New Right are respectable people, graduates of prestigious universities; they are politically active and skilfully disguise their ideological extremism. The right-wing radicals have managed to set up a network of associations, unions, committees, like the Committee on Present Danger, Committee for Survival of Free Congress, or the National Conservative Political Action Committee, to mention but a few. The New Right are making a wide use of rightist religious organisations as the Moral Majority and the Re-

ligious Round Table. At their disposal are a number of research centres, a far-flung network of the mass media, juridical firms and lobbies. Their headquarters are fitted out with computers of the latest make, by means of which they send tens of millions of letters to voters every year.

The late McCarthy would perhaps be greatly surprised to see how the forms and methods of the work done by his successors have changed. But he would not have had serious grounds to be displeased, for the basic postulates of the New Right programmes are entirely in the spirit of McCarthyism. For instance, racist sentiments have been traditionally used in the United States to split the working-class movement, to set some groups of working people against others, and to distract the attention of the poorest sections of the population from the true causes of their disastrous position. No wonder, then, that the racist slogans spear-headed against school desegregation are well in harmony with the demands of the New Right for a return to "traditional" labour relations and to individualism (which is just as traditional for American society) and for disbandment of labour unions.

In the economic sphere the New Right demand a return to the "free market" and a green light to private enterprise, and insist that the economic rights of the state should be drastically restricted, various measures of wage and price control cancelled, and antitrust legislation renounced.

In foreign policy their programme is a replica of that of McCarthy. They proclaim militant nationalism, tough anti-communism and militarism. They demand that there should be no co-operation with the Soviet Union, and call for a speedy arms build-up which would enable the United States to achieve a decisive advantage over all other countries and use its military might for political blackmail.

The right radical forces launched their large-scale offensive at a time when the decline of the two major bourgeois parties and the erosion of liberalism and conservatism in the USA were most clearly manifest. Exasperated by the loss of respect for the United States abroad, exhausted by the runaway inflation and chronic unemployment, and indignant at the decline of morals and the spread of crime and drug addiction, the "average American" is seeking a way out. He no longer trusts the liberals whose dual and inconsistent policy has failed to bring the promised crisis-free prosperity. Nor does he trust the moderate conservatives who in fact wish to leave everything as it is. At this very moment the extreme right emerge on the political scene to explain that all of America's troubles abroad are caused by the plotting of Communists who,

they allege, seek to enslave the United States and the rest of the world, that the economic setbacks are a result of the incompetence of the federal government which takes the money away from the American citizens and hands it over to the poor, Blacks and other "idlers who do not wish to work". Besides, the extreme right claim that the chief source of crime, of the crisis of the family and alienation of the youth is the result of excessive liberalism, the tacit encouragement of the activities of Communists and other "subversive" forces, as well as the fact that the police and the FBI have their hands tied up by the laws on "liberties".

Pressed by the rightists, the US government passed quite a few decisions in recent years limiting civil rights and freedoms and giving the FBI and the CIA broader powers to keep the Americans under surveillance. The Senate subcommittee on security and terrorism, set up in 1981, partly revived the functions of the notorious Committee on Internal Security of the days of McCarthyism. The new subcommittee has been instructed by the Senate to find out if "foreign powers" are involved in violence in the USA. At its hearings it was alleged that the appearance of mavericks in the United States was a result of influence by the Soviet Union which makes use of liberal politicians and the mass media in the United States.

The Heritage Foundation, an influential research centre of extreme right leanings, forwarded to the Reagan Administration a special report saying that the threat to US security comes not only from the outside but also from within, from "anti-American" elements. The authors of the report recommend the Administration to allow surveillance over the groups and organisations which, even if they abide by the law, can supposedly resort to violent and illegal actions some day. The FBI is recommended to allow "investigation methods" like bugging, opening of the mail, the use of informers and, in some instances, non-sanctioned searches. The right to such actions, the report says, should also be granted to the local police and to some private juridical firms.

The Heritage Foundation report found attentive readers in the White House who are ready to heed its recommendations. Why not? It was none else than presidential adviser Edwin Mees who elaborated a plan (when Reagan was the Governor of California), according to which all control throughout the state should be passed to the National Guard in the event of "civil disturbances". Louis Jufreda, another high-ranking official, proposed in 1970 that in cases of racial disturbances Black Americans must be interned en masse.

There have been other instances when the authorities took heed of the anti-democratic demands of the right. The Department of Justice announced its recommendations (elaborated jointly with the Heritage Foundation) on the US Criminal Code. It has been proposed to limit the law on personal immunity, to allow the government to incline the courts of justice to change verdicts and minimise the possibility of acquitting defendants. The progressive American lawyers analysing these recommendations stress that they are directed not only against hoodlums but also against demonstrators. The lawyers warn also that under the pressure from the extreme right in the 1980s the government will probably use against the middle strata of the population, against the white population and the working class the methods of suppressing dissent which were applied in the 1960s and 1970s against Black activists (persecution of Black Panthers), against Indians (armed suppression of actions in Wounded Knee), and against Puerto Ricans, or Chicanos (deportation of immigrants and strict inspection of papers). It will use the practice of the operations carried out in recent years—Chaos (CIA), Cointelpro (FBI), Garden Plot (the secret service of the Department of Defense), and Stress (the police of Detroit)—to eliminate “disloyal” groups.

Can the extreme right acquire full power in the United States? Is it really possible that “fascism, American style” will be established in the country? There are many factors working against this. In the first place, the extreme right are a disunited movement. There are serious differences over goals and methods between the “old” and “new” right. Most of extreme-right organisations concentrate on only one specific problem, be it prohibition of abortions, elimination of the Darwin theory from school curricula, or dissolution of trade unions. They almost never co-ordinate their actions with one another. And, last but not least, there is a rift between the main ideologists of the extreme right, calling for a radical restructuring of the bourgeois-democratic institutions and establishment of authoritarian rule, and those politicians who are trying to use the loopholes in the existing political model to railroad resolutions in the spirit of the radical right.

As a matter of fact, the anti-democratic threat from the right is an element of the American political model granting reactionary groupings freedom of political action but offering no opportunity for politically isolating the radical right-wing minority. This minority is claiming louder than others its “rights and freedoms” to fight for anti-democratic reforms, and it backs up statements of this sort by covert

ties with big business. The meetings of fascist-like or racist groupings advancing anti-democratic slogans often enjoy police protection, whereas the left forces demanding radical reforms in society are subjected to police persecution. That is how "unlimited democracy" in the United States gives freedom of action to those who are prepared to sacrifice this democracy in the name of consolidating private-ownership principles and restricts the rights of those who are coming out against these principles in the name of a democracy free of the worship of property and the dollar.

Political Change Is Coming

Political life in the United States is characterised by a variety of form, intense rhythm, a wide use of political advertising, and various forms of political action among the population.

As soon as you set your foot on American soil, wrote Tocqueville, the first thing you see is chaos: disordered shouts and thousands of voices are heard on all sides, each fighting for its own demand in the social sphere. People intervene in matters like establishment of new schools and road building, strongly support the government or just as strongly oppose it. Tocqueville arrived at the conclusion that such a broad participation in political activities benefits America. Especially if the population learns the practice of self-administration in the process.

The level of political activity among Americans is high indeed. This activity takes place not only in the framework of the traditional political structures, which are now less trusted by the public, but also in the form of public movements. Over the two centuries of the existence of bourgeois-political institutions in the USA the average "political knowledge" among the population has grown to a high degree, though Americans traditionally show far greater interest in domestic policies and most of them know less about international affairs and are politically ignorant. The applied and theoretical study of politics has reached a wide scope in America: hundreds of specialised journals containing political analysis are issued, numerous seminars and conferences are held and, according to some estimates, about two-thirds of the world's specialists in political sciences work in the United States.

In recent decades, though, political alienation has been spreading, many Americans are indifferent to the outcome of the political struggle in the country and do not believe

that politicians are capable of solving any of the real problems facing society. This explains why in the early 1980s, 70 to 80 per cent of Americans believed that the country had veered off the correct path; from 35 to 45 per cent expressed serious doubts as to the effectiveness of the political system in the United States; and 60 per cent would welcome a leader capable of changing "the rules of the political game".

Many people in America are not content with the possibilities of political action offered by the traditional bourgeois-democratic institutions. Broad public movements and small, most often local, organisations which concentrate on the solution of one or several specific problems oppose themselves to professional policy-making. If one studies the political processes going on in the USA, the inevitable conclusion would be: the list of faults in the American political model is as long as the list of pre-election promises made by the leading bourgeois parties.

Many political institutions in America today are in glaring contradiction with the demands of today—and even more so of tomorrow—for they do not ensure a genuine rule by the people and are too costly to the tax-payer. At the same time they are imperfect, sometimes marked by corruption and red tape and, far from facilitating the solution of social development problems, make the solution even more difficult. Most of these institutions are originally designed so that they can function only in conditions of specific American political culture, which is individualistic to the utmost, is based on unlimited conflict of private interests, ruling out any possibility of harmonising public aspirations and demanding a high level of "political literacy" and education of the whole population. These are the political institutions of an extravagant society wasting billions of dollars on political advertising and on an outward garnish of the political process.

A most alarming aspect of the American political model is that the social groups possessing heavy funds have ample opportunities to exert overt and covert pressure on political decision-making. And, last but not least, the "pluralist democracy" system offers no chance to isolate the ultra-reactionary social forces. In the conditions offered by the "American model" the excessive influence of a current political situation and the fast succession of the groupings in power hampers the carrying out of long-range, consistent and purposeful reforms and programmes by the government.

All these features of the American political model, in case it is applied in developing countries, are in the way of

effective social and economic reforms which the young states need so badly. In the framework of this model conditions are provided for large-scale activities of conservative and reactionary social forces that are dissatisfied with progressive change and intend to restore a former order.

But perhaps the US political machine will overcome all these drawbacks in the near future? Earlier in this chapter we reviewed US futurologists' forecasts of the promising trends in US political development. They give much thought to proposals on improving the existing political institutions. They pin their main hopes on decreasing the size of communities and on using all kinds of gadgets in policy-making. But the way political processes are going on in the USA today shows that the future of American policy depends primarily on other, social factors. The most important of these are:

- The loss of confidence in the existing political institutions, and the spreading opinion that they cannot help tackle the vital problems facing society.

- The rejection by many people, who become politically better informed, of the idea that "the President knows best" how to make a policy; the striving of large sections of the public to form independent views on key political issues.

- Widespread awareness of the interdependence between the American political model and the outside world, international events, and trends in global development.

- The waning significance of the traditional rivalry between the liberals and the conservatives, Democrats and Republicans; an active search for new political programmes, new forms of political organisation and political struggle.

- The mounting opposition to spreading red tape and obduracy in American political institutions (which is not confined to attacks by conservatives on the "big governments" but is a well-justified public wish to retain democratic control over actions by the government and bourgeois parties).

- The growing disillusionment with the potentialities of the federal government, decentralisation of political life and the tendency to rely, wherever possible, on local political and public organisations in solving specific problems. Large-scale co-operation of local initiative groups and public organisations are set up in place of big national organisations.

- A considerable growth in the influence of public movements which now have their own research, educational and propaganda centres and are becoming major participants in the political process.

The spread of these trends testifies to the need for restructuring the American political model in the face of future problems. If no such restructuring occurs, US policy on the eve of the 21st century will not only become utterly confused and contradictory but will push the country to greater social instability and possibly will even bring about an increase of authoritarian tendencies.

The drastic changes in the political life of US society are dictated by the times. It is not so much in the laboratories, where new information equipment is designed, but during the clashes between social forces going on every day, and every hour, that it is decided to what extent the direction of these changes is to be determined by those interested in consolidating and improving political institutions and by the broad democratic forces interested in establishing an economic and political system meeting the interests of the majority of the nation.

References

1. Toffler A., *The Third Wave*, New York, 1980, pp. 320, 355, 356.
2. Encyclopaedia Britannica, Vol. 7, Chicago, 1947, p. 127.
3. *Newsweek*, January 12, 1976, p. 33.
4. *The Washington Post*, November 6, 1975, p. C18.
5. *Public Opinion*, October-November 1979, pp. 26, 30, 32.
6. *Time*, August 26, 1974, p. 31.

Chapter IV

THE REVERSE SIDE OF THE MODEL

The Socio-Economic Model and the Outside World.

The USA and Developing Countries. The Price of Modernisation. The Social Effects of "Americanisation". American Corporations vs. America. Instrument of Political Interference. Economic Aid—Philanthropy or an Instrument of a Policy? Special Purpose of Food Aid. 20th-Century Slavery.

The Socio-Economic Model and the Outside World

The effectiveness of some or other socio-economic model in the world today largely depends on its interaction with the outside world, on world social relations as a whole. These aspects were ignored for a long period of history: foreign trade, foreign investments, the use of the labour resources and natural wealth of other countries—all this had a little role to play in the daily activities of countries, in particular big and relatively isolated ones such as the United States.

Mankind has never existed as a single whole, each socio-economic model developing independently of others. The system of international relations, too, has been evolving on its own. Thus, after the 1815 Vienna Congress there emerged a "balance of forces" system in world politics, which included several major European powers. That system existed without much change almost a century, until World War I. Meanwhile deep-going social changes occurred in the world. Bourgeois revolutions in various countries were sweeping away what there remained of feudalism, and new states were springing up on its ruins. Within that century the United States turned from a small group of agrarian colonies into the world's major industrial power. But the "balance of forces" system lived on, while the influence of the United States on European countries was insignificantly small. At any rate, it clearly did not correspond to the increased economic potential of America.

The reason for that was that the foreign policy of states, which did not affect the daily life of the popular masses (unless a war broke out, of course), had long remained a more or less isolated sphere. To America with its vast domestic market and traditional "isolationism" foreign policy meant so little that it very rarely became the object of a wide public debate or caused differences among parties and political conflicts. The federal government enjoyed a bigger monopoly on foreign policy than perhaps in any other sphere.

At the start of this century the situation changed radically. As US capitalism entered the highest, imperialist phase in its evolution, which was marked by increased internationalisation of all economic activity, the interdependence of home and foreign policies began to grow. In the world where a quarter or one-third, and sometimes even a half, of output is meant not for home consumption but is sold to other countries in which the export of capital increasingly influences the development of their national economies, foreign policy begins to affect the interests of all and every-

one. Meanwhile the existing system of international relations and the directions of its development become a major factor of economic development in any country.

Today, international relations have acquired a new dimension. World politics reached out for new problems which mankind is able to solve only through joint effort, by a more rational division of labour on a global scale and in broad international co-operation. These problems insistently demand an expansion of trade, scientific and cultural contacts between states, and the carrying out of joint projects on a regional or global level.

The very logic of scientific and technical progress brings about a situation in which not a single country and no socio-economic model can develop in isolation from the outside world. The scientific and technological revolution has been drawing nations closer together in economic terms and deepened the internationalisation of production which, in turn, is indispensable for the economic advancement of mankind.

In the conditions of the scientific and technological revolution the variety of industrial output (especially in sophisticated industries) has grown so wide that no country in the world, nor even the United States, can have an economically effective production of all types of goods known in the world. An attempt to rely solely on one's own resources, as practice has shown, costs too much and in the long run leads to economic stagnation. This equally pertains to research and development. As new branches appeared in fundamental and applied sciences, the R & D front widened so much that the international division of labour in science and technology has become the only reasonable way of promoting scientific and technical progress.

The scientific and technological revolution has brought about a steep rise in the optimum size of factories which more often than not grow into vast complete-cycle industrial complexes. That has led to an increase of optimum sales markets. The relative narrowness of national markets for large-scale batch production (and not only in small and medium, but also in big countries) is a brake on the growth of productive forces and implies a country to expand foreign economic ties. Moreover, the scope of activity of large integrated groups as the Common Market appear in some instances to be insufficient for achieving an internationalisation of productive forces corresponding to their development level in the modern epoch. All this increases the role of international division of labour precisely on a global, and not regional, scale.

Some of the present-day economic problems are, indeed,

of universal importance, for they can be solved only by combining the efforts and resources of all countries. Among these problems are the growing raw-material and fuel shortage in the world economy, a short supply of food, ecological imbalances, the need to set up a stable monetary and financial system in the world and overcome economic backwardness in a number of countries of Asia, Africa and Latin America and many other problems confronting the whole of mankind and insistently requiring that a new system of international relations be established. Some of these problems confronted mankind only recently, while others have grown so acute that they can no longer be left unsolved.

There is another and no less important reason why no socio-economic model can function as a "closed" system in present-day conditions. The point is that all nations have grown more interdependent politically.

Conflicts between states could remain local for centuries and not affect the interests of "third countries". All this led to the emergence, particularly in the USA, of numerous doctrines of "isolationism" and "non-interference". The United States availed itself of the contradictions among the "third countries", which it had often provoked. Incidentally, this strategy had always underlain the "balance of forces" system. Today any crisis situation can become a threat to universal peace.

After World War II the growth of international relations in scope and depth, the development of communications, world trade and especially the increased threat of nuclear war jeopardising the existence of the whole of mankind have added a good deal to interdependence among nations and integrated the foreign policy of all states into a single complex of mutual interests and contradictions.

Therefore in our days the effectiveness and viability of any socio-economic model hinge not only on good economic growth and socio-political stability but also on the actual part played by this model in restructuring the entire system of international relations and in the solution of global problems. But if a high rate of economic growth is achieved by the plunder of other nations, and social stability leads to political instability on the world scene, with critical situations being provoked in explosive regions of the world; if political democracy cannot function unless it relies on dictatorial regimes throughout the world, then a model cannot be regarded as effective and therefore is not worth copying.

Precisely this applies to the American model, and here are the facts to prove the point.

The USA and Developing Countries

The widening economic gap between many newly-free countries of Asia, Africa and Latin America and industrialised states is among the most acute problems that have confronted mankind in the last 30-odd years of this century.

In the poorly developed countries

—570 million people suffer from malnutrition, and consumption of protein and calories among them is below the required norm;

—800 million adults can neither read nor write;

—1,500 million receive no medical aid;

—1,300 million have an annual income of less than 90 dollars;

—1,700 million have no hope of living to the age of 60;

—1,030 million live in houses unfit for habitation;

—250 million children have no opportunity to go to school;

—1,100 million people are jobless.

On the other hand, the economically developed countries with less than a quarter of the world population living there, use 83 per cent of the world GNP.

Many of the problems faced by the developing countries are likely to grow still more acute in future. As estimated by UN experts, in the last quarter of the 20th century the per capita world GNP will increase by 55 per cent, which means that it will amount to \$2,300 (in 1975 prices). The figure for the industrialised countries will be \$8,500, while in the developing countries it will not exceed \$590. In other words, an increase of the GNP by one dollar per head of the population in the developing countries is supposed to go parallel with a 20-dollar increase in the advanced countries. In the year 2000 the average per capita income in industrialised capitalist countries will exceed that of developing countries 14 times over, and if we take the group of the richest countries in the West, the difference will be 20-fold.

In other words, the enormous gap between the industrialised and developing countries is going to double by 2000.

If the gap remains, the economic consequences may be fatal for mankind, and not only economic ones. Another alarming fact is that most of the armed conflicts that have erupted in the last decades have taken place precisely in the zone of economically less-developed countries. The possibility of new conflicts, especially if we bear it in mind that a number of developing countries may possess nuclear weapons in the near future, presents a growing threat not only to the economic prosperity but to the

very existence of mankind.

For the United States the solution of the problems related to the Third World countries is closely associated with the problem of functioning of its own economy. A few years ago the United States could do without large imports of the main raw materials, whereas now many US industries depend on imports from developing countries. In the period from the early 1950s to the start of the 1980s US direct capital investment in these countries shot up more than fivefold, the annual profit being billions of dollars.

Thus, the economic advancement of the USA depends to a certain extent on developing countries. However, it should be noted that West European countries depend on developing states, in economic terms, far more than the USA. This offers the United States an opportunity to pursue a more flexible and long-term course with regard to the Third World. All the more so since the USA has been less involved in colonial exploitation than the West European countries.

Many American authors have tried to prove, especially in recent years, that after World War II the USA has practically acted as "the main liberator of the Third World", impelling the colonial powers to give up their overseas possessions and supporting the newly-free countries of Asia and Africa. These assertions do not hold water, however. First, the United States, though it has never been listed among the main colonial powers, still has a number of dependent territories, such as Guam and Puerto Rico. Second, the USA has rendered every support to the European colonial powers in their struggle against the national liberation movements in Southeast Asia, the Middle East and Africa. Third, which is the main thing, the occasional conflicts between the USA and the European colonial powers have been caused by the USA's wish to win an access to new sources of raw materials and new sales markets, and not in the least by the goals of the "liberating" policy of the United States with regard to developing states.

And still the USA's prestige among the newly-free countries was high. Many leaders of these states, looking for the best ways of economic and political development, referred to the experience of the Founding Fathers, attempting to give life to some elements of the "American model".

In American political science the question concerning the future of the Third World countries was traditionally put as an alternative: the Soviet or the American development model? Most of political scientists were inclined to allege that decolonisation, followed by the less-devel-

oped states' leaving the orbit of the more "civilised" countries of the world, inevitably led to the aggravation of internal nationalities, religious, social and economic problems and contradictions in these states, to local conflicts and clashes which hitherto were prevented by the colonial authorities. As a result, there appeared a "vacuum of strength" in most of the newly-free states, which confronted them with the choice between the two extremes.

It is easy to see that the "vacuum of strength" concept was borrowed from the cold war phraseology. On the one hand, it is alleged that the developing countries are in some way "inferior", that they are incapable of solving their political, nationalities and other problems on their own and choose a path of independent development for themselves. But at the same time the indisputable fact that most of the seats of tension in the developing countries are a result of the subversive actions, political interference and sometimes even armed intervention on the part of the West, the USA above all, is totally ignored. Were it not the Western powers that fanned the flames of the civil war in the Congo in the early 1960s? Was it not the United States that backed up Nigerian separatists at that time? Did not the CIA plan the invasion of Cuba by mercenaries in 1961? And what about the inhuman war waged by the USA in Indochina for so many years; and the fascist coup in Chile; and the recent intervention in Grenada; and incessant provocations against Nicaragua? It is these actions, and not the imaginary "vacuum of strength", that are the actual source of tensions in developing countries.

On the other hand, the "vacuum of strength" concept interprets the large-scale and mutually beneficial co-operation between socialist and newly-free states as an "export of the Soviet model". But the choice of the socialist path by one or another developing country does not mean that it is copying the "Soviet model" of development. This is seen from the obvious fact that, for instance, Algeria, Guinea, the Congo, Syria, Tanzania, Angola, Mozambique, Ethiopia, and Afghanistan, which differ greatly in socio-economic conditions, historical traditions and political specifics, can all be classed among socialist-oriented countries. All of them are effecting, on the whole, similar general democratic reforms, such as a fairly radical agrarian reform, the upbuilding of the public sector and limitation of private capitalist enterprise, expropriation of big national capital, and control over the property of international monopolies. These reforms, being anti-feudal and partially anti-capitalist, merely help to set the stage for a future transition to socialist construction. And if a socialist society

in these countries begins to be built in practical terms, it will be under conditions different in principle from those under which socialism was being built in the Soviet Union. Therefore the new social system in the newly-free countries of Asia, Africa and Latin America will have fairly specific features. So in this case there can be no "export of the Soviet model".

Similarly, the choice by a developing country of the capitalist path does not yet mean that it has accepted the "American model". As was noted in the previous chapters, the "American model" has evolved in exceptional historical, geographic and political conditions. In the developing countries capitalism can no longer take shape in a "classical" way—without the public sector, without foreign investments, and without foreign economic aid. And such development inevitably results in the formation of defective or deformed capitalism dependent on international capital.

So, developing countries do not have to choose between the "Soviet" and "American" models, for they have a wide variety of possible directions in their development. It is another matter, however, that when choosing the path the developing countries should proceed from quite definite ideological postulates. And it is then that they are faced with the choice between the Marxist-Leninist theory and the assortment of postulates reflecting the ideological principles of the "American model".

But in this case the "American model" is obviously at a disadvantage, for it cannot be denied that the application of the Marxist-Leninist doctrine not only enables one to find an explanation for the emergence of many problems in developing countries but also to chart ways of achieving a fast and stable economic growth and social progress there.

As for ideological principles (or stereotypes, to be more exact), of the "American model", they cannot offer any constructive alternative to communist ideology. American bourgeois theories of social development see the world as a struggle between "totalitarian" and "free" countries, provided "freedom" prevails over "totalitarianism" in the end. Perhaps the theory of "the free world versus totalitarianism" can attract someone by its utter simplicity. But what can it give the peoples fighting for political independence or working to overcome economic backwardness? Nothing but an allegation that the only danger they are faced with is "totalitarianism" in the shape of internal communism or the omnipresent "Soviet threat".

The traditional values of American ideology are based on private enterprise, private property, great emphasis

on the self-expression of the individual with the logical conclusion that freedom in this case is synonymous with the absence of government control or state interference in any sphere, be it the economy, politics or the news media. All this can attract certain groups of the population in advanced states, though these values are now called in question even there. But for most countries in the developing world such recommendations are of no use, for they cannot help them resolve their cardinal problems. Economically weak agrarian or semi-industrial states cannot hope to win a competition with advanced capitalist countries even on their own markets, not to speak of international ones, and yet they are advised to give up control over foreign and local capital. The economic path offered to them by the use of American recipes is not a path of independent development but that of perpetuating their status as raw-material appendages of none other but the United States.

In political terms, pluralism which is believed to be typical of American ideology, tends to add fuel to the flames of tribal and national conflicts and also to racial, cultural and religious clashes which already do great harm to the development of newly-free states. Recommendations of this sort run counter to the striving for national unity which is indispensable for the protection of a country's sovereignty and for the speediest carrying through of socio-economic programmes.

Therefore the ideological and political aspects of the "American model" can hardly be widely applied by developing countries. Evidently these countries are most effectively influenced by the US economic might, above all by the powerful transnational corporations.

The Price of Modernisation

Population: about 14 million, mostly skilled workers and engineers.

The economy: well-developed, primarily the industries on which technological progress mostly depends. Over 80,000 modern enterprises in electronics, petrochemistry, metallurgy, and automobile and extractive industries. The annual GNP is \$800,000 million.

Form of government: autocratic dictatorship. All major decisions are made by a small ruling elite, the labour unions are persecuted and political opposition is harshly suppressed.

These are the data on the country which is not marked on

a single map, but which has a substantial impact on the economic, social and even political processes in various parts of the world. It is a vast empire of transnational corporations which is gaining strength with every passing year.

In the past decade alone the transnationals' activity has more than doubled in scope, while the turnover of the 50 top giants among them has grown almost fivefold. No country has ever achieved such a high growth rate. Today foreign branches of the transnationals, among which US supergiants call the tune, operate in 150 countries the world over, and the output of these branches equals roughly a half of the entire domestic output of the United States. American transnationals exert an enormous influence not only on the US economy: they have become chief suppliers of raw materials and fuel to all economically advanced countries of the West, and also the chief suppliers of modern equipment and technology to developing countries. They control nearly half of all trade in the non-socialist world and at least 90 per cent of the world export of capital.

The economic might of the US transnationals is beyond any doubt. It is clear also that they influence both the development of newly-free countries and the economic situation in the United States itself. Do the international corporations promote economic progress or slow it down? Do they help to narrow the gap between poor and rich countries, or do they increase inequality in the world? Do they help maintain political and social stability, or do they build up tensions, provoke national political crises and international conflicts?

All these questions have become most topical now that over the past few years US economists and sociologists and many government officials have been describing the transnationals as a panacea, as an adequate substitute for programmes of aid to developing countries. Another widespread view is that the transnationals can do more to spread the "American model" on a global scale than the measures specially applied by the US government. On the other hand, some illusions harboured in the 1970s by the leaders of a number of developing countries with regard to the transnationals' activities gave way to disillusion. We are not going to offer an all-round analysis of this complex socio-economic phenomenon. Yet, let us examine at least the main forms of influence of the transnationals on the economic, social and political life of developing countries.

As one assesses the operation of US monopolies in developing countries, he will not fail to see that in some

instances foreign capital promoted the growth of a number of industries and facilitated the development of mineral deposits in these countries. The transnationals have been, and still are, the main channel for the transfer of modern technology and the sharing of managerial know-how; they have helped to deepen the international division of labour and draw the developing countries into world economic relations on a broader scale.

Most impressive in this context is the example of a number of countries and territories in East Asia (South Korea, Taiwan, Hong Kong, and Singapore). It was foreign capital that ensured a high and stable economic growth rates in that region throughout the post-war period. Today bankers of Hong Kong and Singapore, together with financial tycoons from Wall Street, handle billions of "Asian dollars", South Korean household electronic appliances compete well with Japanese ones, and Taiwan textiles have long since found their way to American and West European markets. As to the amount of the GNP per head of population, Western economists are beginning to list East Asia among the "average income" countries.

Citing examples of this sort, some apologists of international monopolies in the West conclude that the interests of the transnationals and the developing countries objectively coincide, and therefore the latter should create the most favourable "investment climate" and make all possible compromises in the name of future progress and prosperity. As for some instances of a negative effect of international monopolies on the economies of developing countries, that has been mainly due to imperfections of national and international legislation or an "unwise" economic policy pursued by developing countries themselves, though abuses by some "irresponsible" leaders of the transnationals are not ruled out, of course.

This point of view evokes serious objections, primarily because the transnationals, for all the vast scope of their activities, still are the property of private owners and serve their selfish interests, and not the economic progress of mankind. Though leaders of the largest US transnationals claim as a rule that they are interested in expanding contacts with developing nations, the facts show that the share of these countries in the operations conducted by international corporations has been steadily shrinking. Only two decades ago the transnationals channelled about half of all their investment to developing countries, whereas today that amount has been reduced to 25 per cent. And this tendency continues, despite the acute shortage of means in most of the newly-free coun-

tries, and despite the fact that the norm of profit in developing countries is about double that in the industrialised countries of the West.

So why this change in the direction of economic expansion by the US transnationals? There are obviously political factors behind all this. The open opposition to the transnationals by a number of developing states and the constant threat of nationalisation which is becoming especially real in conditions of considerable political instability have certainly played a definite role here. But there are economic factors as well.

In the past decades international monopolies have plunged into most promising and advanced areas of production associated with scientific and technical progress and determining the main directions of economic development. This is precisely why the international corporations are concentrating their activity ever more on the USA, Western Europe and Japan which have a well-developed infrastructure and where they can find skilled labour, good scientific and technological, and industrial potential, and a capacious market for their output. The stability of the socio-political system, constitutional guarantees and historical experience provide a favourable "investment climate" attracting foreign capital.

Thus, the developing countries are being, in fact, ousted to the periphery of the international division of labour. For all the importance of the foreign market to the newly-free states (for they export one-third, a half and sometimes even more of their GNP), their share in world trade was constantly shrinking until the 1973 energy crisis. And even the "raw-material boom" of the last decade substantially improved the position of only a small group of oil-producing countries. Meanwhile the plight of the developing countries whose economy depends on imports of oil and other industrial raw materials has worsened still more.

They have found themselves in a vicious circle: economic backwardness leads to political instability, and the latter limits foreign capital investment, while the absence of capital investment aggravates economic problems and causes a still greater destabilisation of the political situation.

To be sure, despite the relative reduction of the share of developing countries in the activities of the transnationals, the absolute inflow of capital into these countries has not decreased. It has in fact tripled during the 1970s, to reach the mark of nearly \$100,000 million. (The figure seems enormous to those who do not know

that by the start of the 1980s the total debt of the developing countries exceeded \$500,000 million, while annual repayments have approached \$100,000 million).

But if we turn to the geography of American investments abroad, we shall not fail to see that the transnationals pick out the richest of the developing countries which have the required infrastructure and skilled labour. The share of investment in the poorest countries, where the per capita GNP is below \$200 a year, slightly exceeds 10 per cent of the capital investments in all the newly-free countries; yet precisely in the poorest countries the population equals 58 per cent of that of the whole of the Third World. Meanwhile, the developing countries with the \$700-odd per capita annual GNP and only 19 per cent of the Third World population account for 61 per cent of the total capital investment. The US corporations give preference, apart from the above-mentioned more developed countries and territories in East Asia, to the OPEC countries, and also to Brazil, Argentina and other countries which can be regarded as capitalist or on a medium development level.

So the transnationals, objectively, are not only widening the gap between the industrialised countries of the West and the developing countries but also add to inequality between the developing countries themselves. The international corporations, as it were, give an economic backing to the political course of the United States which is trying to divide the developing countries and set them against one another.

Incidentally, the investments made by transnationals in more developed newly-free countries are not a godsend to them. Advertising the dividends offered to developing countries by international business, American theorists often prefer not to mention the outflow of money from the recipient countries in the form of profit and repayment of loans and credits. The statistics say that during the 1970s the US monopolies increased their profit from foreign investment from \$11,000 million to \$76,000 million, or seven-fold. At present the biggest US commercial banks and oil giants receive half or more of all their profit in this way. Even if we speak of developing countries alone, the total inflow of capital to these countries, according to UN statistics, equals one-third of the money pouring out of these countries abroad, chiefly into the coffers of US corporations.

Why are the profits that high? In the first instance, the high rate of profit is maintained due to extremely low wages and a longer working day. The average wage of an Asian worker equals 10 per cent of the wage of an Amer-

ican worker of the same skill, and the working day of the Asian worker is 50 per cent longer than that of his American counterpart, while the employer in Asia spends on social needs 25 per cent of what is spent in the USA. The output produced by the Asian branches of US corporations is sold on the Western market at prices not far lower than those fixed for similar goods produced in the United States.

Besides, elementary safety rules are often ignored in developing countries, and the sweating system used there allows artificially to increase labour productivity. For instance, due to the sharp intensification of production the labour productivity of Mexican metalworkers is 40 per cent higher than that of US metalworkers, and the productivity of the workers in electronics industry is 10 to 25 per cent higher. Meanwhile the labour productivity of South Korean workers is 20 to 40 per cent higher than that of Mexican ones.

The main consequences of the rapacious practice of US monopolies are as follows. First, the living standards in developing countries remain low, since the monopolies are uninterested in raising them because this would mean more spending on the workforce and would render the goods produced in the branch companies less competitive. Second, the cheapness of workforce slows down technical progress in developing countries: the employers see no sense in introducing the latest equipment there, for non-automated labour is cheaper. Incidentally, in the United States the situation in the industrialisation period was diametrically opposite: a relatively high living standard and expensive workforce compelled the capitalists speedily to introduce the achievements of science and technology in production.

It must also be borne in mind that US monopolies often transfer abroad, especially to the countries of the so-called Third World, enterprises of ferrous and non-ferrous metallurgy, chemical, pulp-and-paper and construction industries which pollute the environment more than other enterprises, consume more energy and water, and require larger premises. In this way the corporations save on anti-pollution measures which cause a considerable increase of production costs in the United States. A number of developing countries, especially in Latin America, with no legislation on environmental protection, are widely used by US monopolies for locating "dirty" production.

The advocates of international business can say, of course, that all these expenditures are an inevitable, though unpleasant, payment for the economic modernisation conducted by international corporations. But speaking

about modernisation would in this case be stretching the point quite a bit. For all the significance of foreign investment shifts among various industries and of enhancing the role of modern and newest industries, the US transnationals have still preferred to invest mainly in the extractive, and not in manufacturing, industries in developing countries. The overwhelming part of manufacturing factories are still in industrialised capitalist states. Only every third tonne of lead ore, every eighth tonne of steel ore and every twelfth tonne of bauxites was processed in the developing countries by the start of the 1980s. This should not be surprising if we remember that production cost is rising in geometrical progression at every subsequent stage of processing. As a result, the developing countries receive no more than 4 per cent of the cost of the end product.

The transnationals use any ways and means to preserve the situation as long as possible. A new term is now in current usage in developing countries: "technological neocolonialism". The transnational corporations practising it are applying a series of measures blocking the demands of the young states for access to new equipment and technologies on easier terms. In particular, they make an extensive use of "package deals". In this case the transfer of new technologies is made conditional on granting the corporations additional privileges in taxation, in the economic field and in other areas. Most often the US transnationals use in developing countries outdated machinery unfit for the United States. So they not only put to good use non-competitive means of production, but also gain additional profit from their patents and simultaneously bind the young states to themselves technologically.

As for the newest technology, the developing countries lag behind industrialised states perhaps more than in any other area. Suffice it to say that 97 per cent of all research and development conducted in the non-socialist world is concentrated in the industrialised countries of the West where it is totally monopolised by the state and the biggest corporations. The transnationals also control international trade in technologies, which is concentrated almost entirely in advanced capitalist countries. The share of the developing countries in the total import of technology is less than 10 per cent and, according to UN estimates, if this situation persists it will take the developing countries about one hundred years to approach the 1975 technical level of the United States. The outlook in this area has been bleak of late. Instead of setting up their branch companies and ensuring an adequate technological

level of production, the transnationals prefer to buy, on terms beneficial to themselves, only the existing local enterprises and pump out profit from them without any significant re-equipment. Today, more than two-thirds of the foreign branches of US corporations are made up of local enterprises purchased by the monopolies and only slightly modernised. And new enterprises are set up in the rare cases when it is necessary to oust a rival local industry, which can only be achieved by surpassing its technological level.

At the same time, however, there has been a rapid growth of investment in electronics and in radio and television industries. These factories, which are the last word in technology, manufacture most up-to-date goods and are advertised in the West as an example of economic modernisation effected by transnational corporations. However, we have second thoughts about this kind of modernisation. These factories, to be sure, help enhance, to some extent, the general skill level of the working people in developing countries and to spread the use of the latest technology. But there is also another aspect to it. These industrial enterprises mainly producing sophisticated units and parts, with almost the whole of the output exported, are never integrated into the national economies of the developing countries. They become isolated workshops, stages of a production process totally controlled by international big business. In some instances (specifically in smaller developing countries) these enterprises are a drag on national economic progress, for they consume investment and use skilled labour, thereby hampering the advancement of the industries that are vital for a country's economic development in general.

The "brain drain", which has been increasing of late, is another source of serious concern for developing countries which exert every effort to train national personnel so needed by their economy. But their efforts are often reduced to naught by the transnationals luring skilled personnel into their branches. The local branches of international corporations become trans-shipping points providing the parent company with gifted specialists. Besides, the developing countries are still compelled to use the services of foreign experts, for which they have to pay from 5,000 to 6,000 million dollars annually.

So in this sphere, too, the "American model" of the industrialisation of developing countries does not work. In the years of rapid economic growth in the USA, American industry was not short of skilled experts and good managers who were arriving from the Old World. But now the deve-

loping countries find themselves unable to retain their own personnel without a strict control by the state.

The Social Effects of "Americanisation"

American big business in developing countries has obviously added to social polarisation there. Wherever they operate, US corporations greatly contribute to bolstering up the positions of privileged social groups. These groups are, for the most part, local businessmen who are seen by the US corporations as major allies obstructing anti-capitalist socio-economic reforms, and as participants in the introduction of the "American model" in the newly-free countries.

In this case equal partnership is out of the question, of course. Being superior financially and technologically, the transnationals seek to impose their own rules of the game on local entrepreneurs and obtain the lion's share of profit. But in recent years many developing countries have fixed minimum levels of national participation in the capital of foreign enterprises. Mexico, India, Colombia and some other countries demand even that their citizens should hold more than a half of the shares of all foreign companies operating there. On the other hand, co-operation with local capitalists enables the transnationals to get hold of additional financial sources, expand contacts with the state machinery of the recipient countries, and to have more safeguards against possible nationalisation. Viewed in a more distant future, the strengthening of the national bourgeoisie is regarded by international business as indispensable for preventing radical socio-economic change in developing countries and retaining them in the orbit of the world capitalist economy.

These calculations, however, are rather doubtful. Suffice it to recall the economic evolution of Iran in the 1970s. Its per capita GNP doubled in the 1974-1977 period alone as a result of the oil boom. The petrodollars and foreign investments, attracted by the favourable "investment climate", poured into the country, injected fresh life into the private sector, and beefed up the national bourgeoisie. What is more, they speeded up the "Americanisation" of the whole of Iranian society. In those years American economists often referred to the shah as a great reformer demonstrating to all developing countries a way to a quick and stable prosperity. They predicted also that by the year 2000 Iran would be among the ten most industrialised countries in the world.

Everybody knows how it all ended. Speeded up economic modernisation, combined with deepening social inequality, brought about the collapse of the shah's regime in the late 1970s, and the national bourgeoisie found itself incapable of preventing the radical restructuring of the economy and social life in Iran. Furthermore, it was the rapid "Americanisation" of Iran under the shah and forced introduction of the economic and social development models alien to the historical, religious and cultural traditions of that country that were among the factors which brought about the collapse.

High-ranking government officials in the Third World countries make up another section of society benefiting from the activities of international corporations. Numerous instances of bribery and other abuses committed by US business abroad to get lucrative contracts are widely known. Over the past decade 527 US firms were involved in shady transactions, and the sums paid as bribes to officials in the recipient countries were, for example: Exxon, \$60 million; Lockheed, \$55 million; Boeing, \$50 million; Northrop, \$34 million. Members of cabinets and parliaments become the holders of transnationals' shares, receive expensive gifts and are given well-paid posts (sometimes purely nominal) in corporation branches. The state apparatus elite carry the greatest weight in the countries where the national bourgeoisie as such is absent or is inadequately developed to be relied on as an instrument of "Americanisation". It is obvious, however, that the state apparatus is still less capable than the national bourgeoisie of consistently carrying into life the principles of the "American model". All these efforts can be reduced to nothing by a coup and all "Americanisation" would thus be confined to the Americanisation of the way of life of a rather small social group.

The third section of society benefiting from the activity of American corporations, which is a potential vehicle of "Americanisation", is the top and medium managerial personnel and a certain number of skilled workers becoming "workers' aristocracy". Though the earnings by the majority of the local people are far below those of foreign employees and experts, they are still higher than the average wages at national enterprises. This gap, sometimes reaching 25 to 50 per cent, enables foreign corporations not only to concentrate most skilled labour in the branches, but to undermine the national unity of the working class.

There is also a sharp difference in wages between the higher and lower brackets of the personnel at the enterprises of the transnationals themselves. At the branches

of American enterprises in the Philippines, for instance, the difference is twelvefold, whereas at the national enterprises it is merely fivefold. And the purpose behind it is just the same—to divide the working people.

In exchange for higher wages the US transnationals demand unreserved loyalty and nip in the bud any discontent among the national personnel. In most of the developing countries the transnationals effectively block the setting up or the functioning (as the case may be) of labour unions at their enterprises—another departure from the “American model”. Thus, US corporations in Malaysia made the government ban labour union activity in the industries controlled by US capital. In Singapore, where the labour union movement is better developed, the US firms often demand that the activities of the unions at their enterprises be reduced to a mere formality, threatening that otherwise they would move the enterprise to another country. The authorities, though they did not ban the labour unions, limited their rights through legislation to ensure a favourable “investment climate”. The activity of US corporations in the Philippines has brought on the prohibition by local legislation of strikes in major industries. There have been a lot more instances of this sort. But the important thing here is that the transnationals, though they do promote the formation of the “workers’ aristocracy”, still keep this process within fairly strict limits, thereby decreasing a potential impact this “workers’ aristocracy” could exert on the social development of newly-free countries in the context of “Americanisation”.

It is symbolic that the transnationals most readily invest their capital in the states with dictatorial regimes suppressing labour unions (as in Chile, South Africa and South Korea).

The backers of US transnationals often assert that the international corporations, though in most cases they are strongly opposed to labour unions, still facilitate, one way or another, the growth of employment in developing countries, taking the edge off social conflicts. But this is not entirely true. A certain part of the working people do find jobs at the enterprises of international business. But the fact is that as foreign corporations entrench themselves in developing countries, sometimes that leads to a degradation and gradual crumbling of whole industries, to the elimination of tens and even hundreds of thousands of small enterprises which cannot afford to compete with the powerful, in economic and financial terms, transnational giants. This not only minimises the

effect of growing employment in their branches but seriously aggravates the unemployment problem as a whole. For instance, 18,000 new jobs were created during the six years of the activities of foreign corporations in the spinning industry of Indonesia, but 3,910,000 jobs were lost over the same period.

The situation was once much the same in the American economy where the concentration and centralisation of production and capital inevitably ruined small employers. But that process was based on the national tendencies of economic development and extended over decades. In the developing countries, however, where economic development is distorted by the interference of foreign capital, this process is several times as fast as it was in the USA and therefore it gives rise to much greater unemployment and far more acute social and political conflicts.

International business presents a still greater potential danger for the national programmes of social and economic development, especially of the economic sectors ignored by transnationals. The expansion of monopolies only to the sectors promising the highest profit can lead to grave imbalances in the industrial pattern of the countries dependent on them. As a result of the activity of the international economic octopuses, these countries do all their economic planning only on paper. The spontaneous expansion of the transnationals leads to the oversize of some industries, disturbing the growth of the national economy, deforming its structure and, in the long run, making it still more dependent on foreign capital.

There is yet another aspect to the activity of American transnationals in developing countries—the one related to information and culture. International corporations are known to have vast possibilities for the ideological brainwashing of the population in these countries provided by the powerful mass media, commercial advertising, all sorts of “philanthropic” foundations, and numerous cultural and educational centres. US business persistently imposes on the population of the developing countries the American way of life which suits neither the cultural and historical traditions in these countries, nor the present level of their economic development. This often results in a sharp aggravation of social conflicts, obviously exaggerated social and economic claims and growing inequality.

It is safe to say, therefore, that the US corporations operating in other countries merely induce these countries to copy some elements of the “American model” but never to accept the whole of it.

It only remains to find out how much the American

socio-economic model, meant for the outside world, facilitates its effective functioning in the United States itself.

American Corporations vs. America

The first impression of a layman may be that the economic exploitation of developing countries by US corporations benefits all Americans. But in actual fact the relations between the transnationals and the American state, or between them and American society as a whole, are not that paradisiac.

International monopolies, of course, badly need the US government's support, especially at the initial stage of their emergence on foreign markets. They need protection for their interests abroad. And they do get it. The old saying "What is good for the General Motors is good for the United States" still holds. The US Department of Commerce renders extensive aid to US companies in establishing contacts with foreign partners and also in purchasing and marketing their products abroad. The department's special representatives acting jointly with commercial attaches at US embassies collect information on the market situation, on economic plans and programmes of governments, and on the competitiveness of local firms and the transnational corporations of other Western countries. The Department of State supplies information on talks and agreements on tariffs and trade with other countries, on foreign aid programmes and on international conferences discussing trade and investment matters. Besides, the US government is tying in its foreign-trade policy with the interests of "its own" transnationals.

Nonetheless, the interests of the transnationals run counter to those of the United States in many respects. This only proves that the transnationals have long outgrown the limits of the American socio-economic model and are abiding by their own laws. The increase of investment abroad slows down economic growth rates in the United States itself, denying a number of industries, which are in a chronic state of decline, the investments they need so badly. They also have a negative impact on the US balance of payments. Overseas branches, though they create the demand for various goods produced by the parent company, increasingly obstruct the growth of exports from the United States, for the goods produced by the branch companies have a number of advantages over those produced in the parent company. Transnationals effectively

boycott all measures of the federal government to limit investment abroad.

Practice has shown that when operations conducted by superconcerns reach a global scale, when their economic might is comparable to the economic potential of whole countries, they tend to cast aside the excessive patronage of the US government, without losing its support. The International Business Machines Corporation (IBM), which dominates in the world markets of electronics, is a typical example. The federal government had long fostered this corporation until it grew into a transnational giant. And when the IBM set to developing and manufacturing powerful computer systems, the government allotted it \$4,000 million. That largely helped the corporation to turn from a mediocre producer of electromechanical equipment into the uncontested leader of international business in computer manufacture. The US government granted the IBM extensive scientific and technical aid, bolstered its positions on foreign markets and gave it government contracts.

When it gained a foothold among the biggest transnationals in the Western world, the IBM boycotted government measures whenever the government tried to restrict its freedom in the slightest degree. It sabotaged the "voluntary co-operation" programme aimed at limiting investment abroad, understated its profits and underpaid its taxes. When, at last, the US Department of Justice instituted legal proceedings to dismember the IBM, the corporation management showed ostensible disobedience. It deliberately protracted the proceedings, refusing to submit information on the corporation's activity. And though the Supreme Court had ruled that the corporation must hand over 700 documents to the investigation bodies way back in 1974, the IBM did not obey, even though it had to pay an immense fine each day it failed to present these documents. That attitude of the IBM will become understandable if we recall that each day of the postponement of the ruling on the IBM's dismemberment brought the corporation about \$3 million of net profit. In the end, the government was compelled to give up.

The American companies which have outgrown the bounds of the country make the most of their position to reduce as much as they can the taxes paid to the federal government and the authorities of the states by means of financial machinations. They resort to tricks like setting up international holding companies co-ordinating the activities of all foreign branches of US firms and taking big cash money possessed by the branches

under their control. Holding companies are located in the so-called "tax shelters", that is, in the countries which can ensure low tax rates, secrecy of all operations and almost complete absence of currency control with international financial departments having a free hand, and have a highly developed banking system. Most popular among the "tax shelters" are Switzerland, Liechtenstein, Monaco, the Bermudas and the Bahamas. As a result, the US government receives tens of billions of dollars less in tax payments every year.

Thus, the activities of the US transnationals increasingly run counter to the interests of the American state, demonstrating the growing contradiction between cosmopolitised financial capital and the national system of state-monopoly capitalism.

As for the interests of the US transnational corporations and those of the American people, they are in glaring contrast. In the first instance, the activities of the former increase unemployment: while new factories are built in the periphery of capitalism, the United States is hit by depression. As estimated by American experts, a massive transfer of capital to other countries in 1969-1976 alone entailed a loss of at least 15 million jobs in the USA.

Even a potential threat of a transfer of enterprises abroad ensures international monopolies advantageous conditions in their onslaught on the interests of the working people. The more opportunities open up for the super-exploitation of other countries, the more demands the transnationals make in the United States to agree to remain there. They demand (and often achieve) wage cuts, heavy government subsidies, lower norms of environmental protection, labour intensification, cheap energy, and so on. In the process the very principles of "honest competition" are violated, as the labour unions cannot transfer tens of millions of workers to other countries where the labour conditions seem better.

At times the transnationals provoke crisis situations in the US economy to gain additional profit. Thus, following the actions by the US public and congressional committees, the General Accounting Office charged, with facts in hand, the US transnational oil concerns with deliberately aggravating the fuel crisis in the country in the winter of 1978/79 by cutting down on oil production at home right at the time when the demand for oil had sharply increased. That aggravated other economic problems in the country and speeded up its slide down to another cyclical crisis. Therefore transnational corporations are not going to give up their superprofits even for the sake

of a normal functioning of the American socio-economic model. They go ahead with their activities, ignoring the actual interests of the American people.

Instrument of Political Interference

What is the impact of American transnationals on the political processes going on in the world? How do they respond to international conflicts? What contribution do they make to the shaping of a new world order?

It would be only logical to suppose that the transnationals are vitally interested in stabilising international relations and expanding co-operation and contacts among peoples. Only in conditions of peace and free trade and in a situation of political pragmatism can they augment their profit, enlarge markets, shape their own "transnational" elite with no national prejudices, and ensure stable economic growth.

Some Western politicians and journalists go even farther, stating that transnational corporations are capable of saving mankind from the horrors of a total nuclear war. After the supergiant concerns penetrate all countries in the world, they allege, war will become impossible because the bombing of suppliers, purchasers and the personnel of one and the same firm would be inadmissible. Besides, the international corporations will become the instrument which will effectively harmonise the interests of individual states with those of the whole of mankind, for the "transnational" elite formed by these corporations is free of national preferences and operates worldwide.

The prospect seems encouraging, indeed. But is it real? True, transnational corporations are interested in a certain stability of international relations which would rule out political risks in their operations. For instance, the expansion of business contacts between transnationals and socialist countries in the first half of the 1970s helped improve to some extent the relations between the states belonging to different socio-economic systems. It is also known that in the years that followed leaders of transnational corporations were often opposed to all kinds of "sanctions" used by Washington against a number of socialist and newly-free countries. They had every reason to state that those "sanctions" failed to yield tangible political results, led to a loss of lucrative contracts and undermined international confidence in US business which had already suffered from the intensifying competition

with West European and Japanese firms.

But one should not forget that international monopolies are the main producers, and exporters, of weapons in the non-socialist world. In the early 1980s they were selling \$120,000 million worth of weapons to foreign countries annually. The developing countries spent on arms \$20,000 million a year, which equals the total economic aid of the West to these countries. By the mid-1980s this figure is expected to double. It is an open secret that the money goes to the same major American transnational corporations which simultaneously are major weapon producers. And the stockpiling of huge amounts of weapons in explosive regions of the world often leads to greater political tensions, and sometimes to armed clashes.

Most alarming in this context is that American, just like British, French and other transnational corporations, readily co-operate with reactionary and aggressive regimes if that brings them good profit. This alliance of economic might and political adventurism presents a constant threat to world peace and security. In recent years American, French, West German and Israeli corporations have practically rearmed the army of South Africa and turned over to the racist regime information on the manufacture of the latest types of weapons and helped it build a scientific and technical potential sufficient for the manufacture of nuclear arms. Precisely the activities of international monopolies made possible, in the final analysis, the unlawful occupation of Namibia, the incessant acts of provocation against Mozambique, constant incursions in Angola, and so on.

Striving for maximum profit by any means, the transnationals at times do not stop short of committing crimes to secure their interests. There have been instances of their open interference in the internal affairs of developing countries on the side of reactionary forces. They take part in the formation, armament and financing of counter-revolutionary bands operating at the borders of newly-free states, often get involved in coups and attempted mutinies, and provoke national, tribal and racial conflicts.

The biggest US transnationals have their own intelligence service and police. For instance, the intelligence budget of General Motors equals the security budget of France.

But when their own means appear to be not enough, the US corporations turn to the military-political potential of "their" government for help. If one looks into the causes of armed interventions and subversive acts in the post-war period, he will learn that the US transnational

corporations were directly involved. When the CIA was getting everything ready for toppling the Mossadegh government in Iran, it was safeguarding the interests of Standard Oil and Gulf Oil. Washington launched the armed intervention in Guatemala to "protect" the interests of the United Fruit Company. US attempts to overthrow the government of Fidel Castro in Cuba by force of arms were largely due to the Cuban government's decision on nationalising the property of a number of American corporations. In Chile the US secret service supported the efforts of the ITT company to destabilise and then topple the Allende government. Today the US Navy controls the Persian Gulf which is exceptionally important for the oil corporations of the United States.

It is a paradox that while economic differences are mounting between American transnationals and the US government, which sometimes come to the point of open conflicts, co-operation between them is becoming ever closer in the political area.

The choice of the transnationals as an instrument of political control over the processes going on in the Third World today is accounted for by the general decline in the US political influence on the national liberation movement. Military blocs and political alliances, bilateral "defence" agreements, the military bases, local wars and armed interventions—all these relapses of "gunboat diplomacy" so widely practised in the 1950s and 1960s against the states conducting a policy that did not suit the United States, today cannot stem the tide of anti-American sentiment in developing countries. These countries resist ever more effectively crude military and political diktat, rely on the all-round support of the socialist world, and pursue an independent course in international affairs.

This is what makes the US ruling quarters stake on transnationals. Their ability easily to adapt to the changing situation and to use any opportunity to consolidate and enlarge their positions in the Third World make them a major instrument of US international expansion.

As for the transnationals, the mounting anti-imperialist struggle carried on by the peoples of Asia, Africa and Latin America to achieve genuine economic independence, and more frequent instances of nationalisation of their enterprises in recent years push these corporations towards a closer co-operation with the government of the United States. This alliance, especially since the early 1980s, when the US military circles have begun openly to pursue a tough militaristic policy in the world, jeopardises the interests of all progressive forces in the world, equitable

and mutually beneficial co-operation among countries, and international security.

Co-ordination of the foreign-policy activity of the United States and the policy of the US transnationals was most clearly manifest during the struggle waged by international business against the establishment of a new international economic order.

The term "new international economic order" came in current usage after the 6th Special Session of the UN General Assembly on raw materials and development, held in April-May 1974. At that session the developing countries not only expressed a strong protest at the existing system of economic relations, but advanced a programme of its cardinal improvement. The demands formulated in the programme, which are as urgent today as they have ever been, boil down to the following:

- to ensure full national sovereignty over natural resources, including the unconditional right to their nationalisation;

- radically to improve the terms of international trade for the developing countries by fixing more justified prices of raw materials, maintaining a balance between these prices and the prices of imported goods, and provide a broader access for the industrial goods produced by the developing countries to the markets of capitalist states;

- increase financial aid, postpone repayments and offer easier terms of paying back the loans granted earlier;

- toughen national control over the activities of international corporations;

- promote industrialisation, improve the terms of receiving new equipment and technologies, stop the "brain drain" and pay a compensation for emigrant specialists;

- expand participation in the reform of the international monetary system.

This programme, naturally, set off stubborn opposition on the part of international business and, consequently, of the ruling quarters in the West. No wonder, then, that precisely in the United States the opposition to establishing a new economic order was perhaps the toughest. The extreme-right political leaders called for an all-out military-political blackmail of the developing countries, including a preventive occupation of areas rich in mineral deposits. Moderate leaders suggested economic means of pressure, such as cutting back trade in foodstuffs and scientific and technological aid. Liberals were devising all sorts of concepts of "mutual dependence", "global ideology" and demanded that a "favourable investment climate" be ensured to consolidate the position of the developing

countries as raw-material appendages of the West.

Compelled to reckon with world public opinion and with the stance of the United Nations and other authoritative organisations, the US Administration did not venture openly to obstruct the adoption of the programme. The US ruling circles undertook to keep America aloof from the problem, insisting that international economic relations are more a matter of business than of government bodies.

Meanwhile the US transnationals, availing themselves of their autonomy and non-responsibility resulting from that autonomy, launched an all-out offensive against the legitimate demands of the developing countries. They were shutting down their enterprises in the countries which had demonstrated "excessive" independence in economic matters, toughened the terms of the transfer of equipment and technology, and raised the interest on the loans they granted. On the other hand, the more "compliant" countries received titbits in the form of additional investments, new "prestigious" projects, and the like. As a result, the once united front of developing countries was sapped and the problem of establishing a fair economic order has remained unsolved.

We have examined here only a few aspects of the activities of American transnationals. But even this review, brief as it is, gives one the idea of how the policy pursued by monopolies, unless it is placed within rigid limits of state control, runs counter to the goals of the economic and social progress of developing countries. And so it is quite natural that in the developing countries themselves there is a growing awareness of the fact that the overcoming of economic backwardness is closely associated with a restructuring of the entire system of international economic relations, that is, with the struggle against international monopolies, imperialism and reaction.

Economic Aid—Philanthropy or an Instrument of a Policy?

A major aspect of the American political model is aid to developing countries, which to some extent is designed for "Americanising" the non-socialist world.

The United States is known to be the largest financial donor in the capitalist world. Its total economic aid to developing countries reached \$5,000 million a year by the start of the 1980s, which exceeds the extent of aid rendered

by any other Western state by a broad margin. Such lavish financial injections in developing countries' economy cannot but affect their social and political development. One involuntarily recalls the Marshall Plan under which heavy state investment in West European economies in the initial post-war years resulted in a fast "Americanisation" of Western Europe. One could suppose that the United States today is trying to carry into life a new, this time global, Marshall Plan which would help "Americanise" vast regions in Asia, Africa and Latin America.

However, the countries of the so-called Third World of the early 1980s differ basically from the Western Europe of the late 1940s. Objectively, Western Europe was prepared for "Americanisation": its social and class structure, forms of property and political and cultural traditions were much similar to those of the United States. Besides, Western Europe had, even in the conditions of post-war dislocation, a relatively developed infrastructure and skilled personnel, which is something developing countries do not have. Instead of capitalist relations of production the developing countries have a multistructural economy with many elements of the feudal and even pre-feudal economy. And they have their own philosophical and cultural values. Instead of a developed infrastructure and skilled personnel they have vast undeveloped expanses and illiteracy.

It is quite easy to see that the USA's aid to developing countries serves not so much the long-range social goals of a global character as the specific targets of US policy in some or other region at a given moment. The distribution of this aid in geographical terms tells us quite a lot. The greater part of funds is turned over to the USA's strategic partners which are by no means the most needy. In 1980, for instance, a half of the total of \$5,000-million aid went to Israel and Egypt (under the Camp David agreement), while the other half was distributed among fifty developing countries.

There are also political strings attached to US aid to developing countries. Let us see how this aid is distributed. Under the Marshall Plan the USA channelled most of the aid funds into production, whereas in the developing countries the greatest portion of the aid (about 40 per cent) is spent on building up the state apparatus and on cultural and ideological conditioning of the local population. The second largest portion (35 per cent) is meant for social needs and the development of the infrastructure, and investments in production account for only 25 per cent. It is only natural that such distribution of aid facilitates the formation and prosperity of the corrupted ruling

elite rather than stable economic growth.

Sometimes the desire to politicise economic aid is all too obvious. In 1980, for instance, the US Senate passed a resolution saying that when granting aid it was to be taken into account if a country joined the US-initiated boycott of the Moscow Olympics or not.

Economic aid is used as an instrument of foreign-policy strategy. After the peculiar boom of the 1960s, when the USA announced several large-scale economic programmes, the tendency to cut back on aid prevailed. A number of major projects were left unfinished. And if twenty years back about 3 per cent of the federal budget was spent on aid, now its share has shrunk to 1.3 per cent. The share of aid in the GNP has been reduced still more: from 0.5 to 0.2 per cent. (A point to note here is that when the UN proposed that aid be increased to 0.7 per cent of the GNP as the nearest goal for industrialised countries, the US was almost the only Western country which refused to second the motion). As regards this aspect of aid, the USA is the 15th among 17 biggest capitalist countries.

Throughout the 1970s US aid was decreasing not only in relative but also in absolute terms—it went about 40 per cent down in real sums. And after the coming to power of the Reagan Administration, aid was cut drastically once again, which includes direct bilateral aid and US payments to international organisations, multinational banks for development and specialised UN agencies. As a result, the USA withdrew from several international organisations which, in the opinion of the present Administration, did not suit the foreign-policy intentions of the United States, that is, did not follow in the wake of Washington's foreign policy. As regards bilateral aid, in the 1980s a trend has been developing to concentrate it in a small number of countries strategically important for the USA, even at the cost of the loss of influence in the countries of less importance.

But if we ignore the political aspects of aid and look into purely economic matters involved, we shall see that there, too, the preference is given to the immediate interests of the United States. A considerable portion of this aid is of a "binding" nature, which means that a loan or credit is granted on the condition that the recipient country should buy equipment and other goods from the United States. The developing countries are given no chance to use the market mechanism for purchasing the goods they need at prices that suit them. The prices of the machines and equipment they purchase from the USA often exceed average world prices by 50 to 70 per cent. So aid

not only enables the USA to make a fuller use of its capacities in industry and farming but also to sell uncompetitive goods on the world markets.

Aid programmes fulfil yet another major economic mission. Since the signing of inter-governmental agreements on safeguarding US private investments against losses that may result from nationalisation or expropriation is made conditional on granting aid, this provides a sound legal basis for the activities of US transnational corporations in developing countries.

Of late, aid programmes have been more often made repaying by cutting down on gratuitous subsidies and increasing the share of credits and loans granted on high interest. Accordingly, the foreign debt of developing countries has been going up: in 1955 it was \$6,000 million; by 1970, \$75,000 million; by 1980, \$450,000 million, and at present it runs into over \$700,000 million. The payments of interest on loans and amortisation of credits (repayment of a part of a credit by the time fixed) are growing even faster than the debts. For instance, in 1970 these payments totalled \$9,000 million, whereas in 1981 they rose to \$110,000 million. As the debt has been piling up, many developing countries are compelled to borrow more, not so much for stimulating economic advancement than to repay old debts. This is now the lot of Mexico, Indonesia, Brazil, Argentina and a number of other developing countries.

Perhaps the only kind of aid uninfluenced by a situation is military aid granted by the USA in the form of arms sales or by financing military programmes in developing countries. The United States is firmly in the lead among arms suppliers in the world. Though American presidents (Reagan being perhaps the sole exception) officially spoke for limiting military aid, and relevant acts were even adopted by Congress, political motives were always preferred to moral considerations. As a result, even according to official US data the United States accounts for over 50 per cent of world arms exports.

The export of US weapons to developing countries, which are being involved in the arms race at a fast rate, prevents an effective and balanced economic growth of these countries.

The industrialisation in the United States took place when the level of national military spending was relatively low. The proportion of the military industry in the US economy was rather small all during the 19th century and arms import was minimal, which facilitated to some extent the high rate of economic growth. On the

other hand, in the developing countries arms spending has shot up more than sixfold over the past two decades, while their share in the global "military budget" has reached 16 per cent and topped \$80,000 million a year. Militarisation at the early stages of industrialisation, which most of the developing countries are going through now, considerably complicates economic development: the economic growth rate is sharply falling, the debt is on the rise, imbalances in the economy increase, and the socio-economic structures, which have not yet grown into full shape, are deformed. On top of that, the import of arms entails a reduction of the import of industrial equipment, farm machines, medicines, and industrial and energy raw materials. All this means that the arms race actually rules out any possibility of repeating the American experiment in the economy.

Besides, due to US military aid the army is beginning to play the key role in the social evolution and political life of developing countries, which, again, is in contrast with the historical traditions of the United States. Being almost the most organised force in conditions of general political instability, the army in developing countries, which has taken on "elitist" features and is subject to manipulation, often serves as the mainstay of reactionary dictatorial regimes.

Special Purpose of Food Aid

The food problem is a most important one among the global problems of our time. The developing countries are hit the hardest by food shortage. It is, in fact, a matter of life and death to millions of people in many developing countries, which makes it a matter of political stability, economic priorities, social orientation and the chief principles of home and foreign policy.

More than three-quarters of the population of the non-socialist world live in developing countries which account for only one-third of all grain and a quarter of all meat produced in the world. Such great imbalances have a telling effect on the population of the developing countries: 13 per cent of Latin Americans, 25 per cent of Africans and 28 per cent of Asians consume less than 2,200 large calories a day, which is below the minimum required for normal metabolism.

Protein consumption there is still worse. Man's average protein consumption norm is determined by medical science to be 80 to 100 grammes a day, including 50 grammes of

animal protein. But protein consumption in the developing countries is merely 18 per cent of that norm, and that of animal protein is 19 per cent. Two billion people in developing countries consume 20 per cent of the amount consumed by one billion in advanced capitalist countries.

The food problem may seem quite easy to solve: the only thing to be done is to remove the surplus wherever it exists and distribute it among the people who do not have enough to eat. The role that could be played here by the United States with its highly productive farming is, indeed, inestimable. Over the recent years the amount of grain imported by developing countries from the USA has more than doubled and is approaching 100 million tonnes a year.

To be sure, US grain deliveries do ease the food problem in the world. But one should not overlook quite serious side effects of food imports from the USA.

First, this import costs the developing countries billions of dollars and in future it may cost tens of billions. For many developing states which have no big financial resources this means an automatic reduction in the import of modern machines and equipment, a growth of the foreign debt and, as a consequence, a marked slowdown of economic growth rates. True, some food deliveries are made on easy terms in the framework of the food aid programme. But the share of these deliveries in the USA's total agricultural export has been shrinking rapidly.

In the late 1950s and early 1960s, when the demand for grain was relatively low in the world, and the state reserves of grain "surplus" in the USA were big, the share of food aid in the US agricultural export ranged between 25 and 30 per cent. But when the world prices of grain jumped high in the first half of the 1970s, the proportion of food aid in the export of farm produce rapidly declined to 3 per cent in the early 1980s.

Second, food deliveries from the United States are most often used as a means of foreign-policy strategy. For instance, in his last years in office Gamal Abdel Nasser pursued an independent policy in the Middle East and the US food aid to Egypt (just like all other aid to that country), was totally suspended. But as soon as his successor Anwar Sadat changed the foreign-policy line, opened the door wide to US capital and signed a peace treaty with Israel, food deliveries to Egypt were resumed on easy terms.

US food aid to India was cut back sharply after its top officials denounced US bombings of Vietnam. Sri Lanka was "punished" in much the same way for nationalising US oil companies. The policy of food sanctions continued in the

subsequent years: sanctions were used, in particular, against Vietnam when it supported the Kampuchean people in the struggle against the Pol Pot regime. The Reagan Administration ceased food deliveries to Mozambique and Nicaragua for political reasons.

On the other hand, food export was used by US politicians for "encouraging" the regimes faithful to Washington and for propping up their tottering social basis. And today, too, the bulk of American grain goes not to the poorest developing countries but to "friends of America" like South Korea, Taiwan, Pakistan, and Chile.

Third, which is in our opinion most important, food import by young developing countries often undermines their own farming. Not in a position to compete with the powerful agro-industrial complex of the United States, the local agricultural producers are ruined, leave their plots of land and go to the cities to join the army of the unemployed. Thus US deliveries restrict the growth of livestock breeding in Turkey; the production of maize and vegetables in Venezuela; and that of rice in Liberia. Most characteristic in this context is the example of Colombia where wheat production dropped by 69 per cent. As a result, 90 per cent of the domestic demand is met through the import of grain, American grain above all.

In this way the import of US foodstuffs often seriously impedes local production of food and in the long run can aggravate the food problem still more. The import acts like a drug of a kind alleviating pain only for some period. But the possibilities to increase the export of US grain are far from unlimited. There is almost no uncultivated free land left in the USA and a considerable increase of food export looks doubtful.

Historical experience teaches us that the import of foodstuffs can be an effective means of overcoming grave crisis situations caused, say, by a poor harvest, a natural disaster, and the like. But the only real long-term solution to the hunger problem lies not in import but in consistent efforts to boost agricultural production in the countries suffering from food shortage.

Of great help today would be US assistance to the "green revolution" in the developing countries and the spread of US agrotechnical know-how there. Indeed, if the average world crop yield is raised to the US level, food production in the world would go up three or fourfold. And if all US achievements in the microbiological industry, plant selection and genetics were used on a global scale, the existing ploughland would be able to feed tens of billions of people.

But is it possible to repeat the US way of farming devel-

opment—from small one-family farms to large agro-industrial complexes—in the developing countries? In the first place, most of these countries, which are in the tropical zone, would need immense funds—incomparable with those used for the development of the Wild West—to cultivate the unused lands. As estimated by US scientists, the inclusion of the lands not cultivated at present in agricultural production would cost 100-500 dollars per hectare. To cultivate all arable lands in the tropical zone would cost from 500,000 to 1,000,000 million dollars. Huge funds are required to restore land fertility damaged by years of primitive farming.

Who will pay? Of course, to a certain extent, technical and financial assistance can be provided by international organisations, the socialist states and the industrialised countries of the West. But this assistance, as practice has shown, cannot be used when sown areas are divided into hundreds of thousands of tiny plots whose poverty-stricken owners can use neither modern machines, nor chemical fertilizers, nor advanced methods of agrobiology.

It is perfectly clear that such a momentous task cannot be accomplished by relying solely on foreign aid. To improve radically their farming the developing countries will have to revise the priorities of economic development, redistribute home resources, solve the problems involved with the development of the infrastructure, train skilled personnel, and ensure an accelerated growth of the related sectors of the economy. All this is impossible without a powerful state sector, centralised planning, and a radical agrarian reform directed at co-operation of the peasants.

Of course, another way of farming development is possible—to set up large agricultural enterprises having sufficient funds and technical means for modernisation. In other words, what is needed is not a repetition of the entire history of American development of agriculture, but an attempt to copy its end results.

But this version of using the “American model” in developing countries seems very doubtful. In the first place, considering the need for heavy spending on land reclamation and recultivation, which takes a long time to be recouped, big owners in developing countries are, in most instances, reluctant to expand food production. In Latin America, for example, only 14 per cent of all land is cultivated, and all that area belongs to big landlords.

Besides big “Americanised” private farms far from always produce foodstuffs for consumption in the country. Far more often they concentrate on profitable export produce that is in high demand on world markets. That

causes a sharp increase in the production of coffee, cocoa, soya beans, peanuts and sugar cane to the prejudice of the food crops required for the population. Thus, cocoa is grown on at least 56 per cent of all arable land in hunger-stricken Ghana. In Senegal peanuts are grown on 52 per cent of land. The Caribbean countries, most of which are hit hard by a severe food crisis, export an amount of sugar and fruits exceeding their home consumption many times over. In Brazil the output of foodstuffs has gone up by 68 per cent in the past decade, while domestic food consumption dropped by 6 per cent. India has tripled food production under independence, while its per capita food consumption is going down every year.

Moreover, the encouragement of setting up private farms of an American type inevitably results in the impoverishment of masses of peasants and, therefore, in a sharp aggravation of social contradictions. Ever more peasants are compelled to sell their plots to big landowners and go to the cities in search of other means of subsistence. Meanwhile industry and the municipal economy cannot provide jobs to all these people and a large part of them join the already vast army of the unemployed going through all the hardships of modern urbanisation. Already today the cities in developing countries are strangled by the excessively expanded sphere of services, small-scale handicrafts and trade, by numerous beggars and hangers-on—the phenomena resulting from the adoption of the American type of farm production. A country that proceeds along this path further may be faced with the aggravation of all the economic, social and political contradictions present in young countries. Thus, there are no grounds to hope for good prospects of implanting US experience in the specific conditions of the developing countries.

There is yet another aspect of this problem to be taken into account. A radical modernisation of farming on the basis of the latest achievements in science and technology must be comprehensive. A rapid expansion of the ploughland area, the breeding of livestock, and construction of irrigation systems often cause irreparable damage to the ecological balance and, in the final analysis, can reduce the efforts of farmers to naught. This has been borne out by historical experience, including the experience of farming development in the United States itself. The mechanisation and chemicalisation of agriculture, when occurring spontaneously and not carried out according to plan, may result in still more pernicious ecological effects. Pollution of water reservoirs by chemical toxic agents (weed- and pest-killers), death of domestic animals and insects,

and poisoning of people are the initial results of a reckless striving to boost farming production at any cost.

Therefore a long-term solution to the food problem can be found only by changing relationships between man and nature. And this change, which means avoiding a spontaneous, uncontrollable, and therefore dangerous, interference in natural processes, can be effected solely on the basis of deep-going social reforms, which is something the "American model" does not imply.

20th-Century Slavery

Immigration has always been among the most lasting and significant links between the American socio-economic model and the outside world. Immigrants have always had a major role to play in the economic development of the United States. It is not fortuitous that the words "E Pluribus Unum" have been on the seal of the United States for two centuries now.

US hospitality has never extended to all races and nationalities. With the exception of the so-called old immigration made up for the most part of the British, Dutch, Irishmen and Germans who had arrived in the United States late in the 18th century and in the first half of the 19th century, all the ethnic and national groups of immigrants have been subjected to some or other degree to discriminatory entry quotas and other restrictions. Already the second wave of immigration (the "new immigration" of Italians, Poles, Hungarians, Ukrainians and Russians in the latter half of the 19th century and the early 20th century) evoked strong protest among a part of the US public, which caused the formation of "nativism" and was followed by the adoption of rigid immigration laws in 1921-1924. Limitations were still greater with regard to immigrants from China and Japan who started arriving at the US Pacific coast late in the 19th century.

The paradox of the immigration problem within the framework of the American socio-economic model is that immigration is at the same time very undesirable and extremely necessary for the country. On the one hand, there has always been the striving to preserve the national and ethnic image of American society as it existed at the time of its formation, with all its specifics, traditions and the way of life intact. For this reason each new group of immigrants, preserving its own customs much different from Anglo-Saxon ones, badly assimilating in American society, and forming compact national groups, was received by the

Americans with unconcealed annoyance. But, on the other hand, the US economy has always been in desperate need of cheap labour for most arduous and low-paid work. And in recent years this need did not decrease, as could have been expected.

Therefore the US immigration policy has been evolving in the past decades in two opposite directions: on the one hand, the coming of foreigners to the USA seems to be ever more limited (an exception is made for highly-skilled specialists) but, on the other hand, the arrival of so-called "illegal immigrants" who come into the country by circumventing the existing legislation and are therefore deprived of any legal rights—is encouraged.

At present there are a few million "illegal immigrants" in the USA. The precise number is not known: it may be five or even eight million. But one thing is certain: the inflow of these immigrants had been growing, to become an important factor of the entire US socio-economic system. Thus, not only the developing countries' raw materials but their workforce, too, are sold on the US market.

"Illegal immigrants" can be likened to Black slaves who in the past worked on plantation in the southern states. Just as slaves, they have no legal status and enjoy no civil rights. Labour legislation does not extend to them.

The technique of smuggling in the "20th-century slaves" is quite simple. It differs little from the slave trade of the past centuries. Though, on the surface of it, it looks a bit more respectable. Hundreds of offices are now at work in Mexico, Guatemala, the Dominican Republic, El Salvador and Haiti recruiting the poor and unemployed, promising them wonders across the Rio Grande. The "coyotes" (this is how modern slave traders are called) smuggle this "living commodity" into the USA where it is immediately sold out.

Some of the "illegals" are caught by the border guards. But neither helicopters, nor cross-country vehicles, nor cat's eyes can stop this avalanche. More than a million of them were arrested in 1981 alone, and the inflow does not dwindle away. Many of the "illegals", detained and deported, are smuggled back into the USA by the "coyotes".

Having no papers and knowing almost nothing about the conditions of life in the United States, and often even not knowing English, the immigrants are easy prey for planters in southern states. They cut sugar cane in Florida, tend grazing cattle in Texas, or pick oranges in Arizona. The constant threat of being discovered and deported compels the "illegals" to agree to inhuman working conditions which American agricultural workers would never tolerate. Frequent reports in the US press say these people are often

placed in dirty and crowded barracks behind a barbed-wire fence. They are locked at night and guarded in the daytime, and if they try to escape they are beaten up and threatened with death and their children are taken hostage.

These actions by the planters enjoy full support in the Caribbean countries ruled by reactionary regimes, because temporary work in the United States gives the Caribbean governments a chance to get rid of a part of dissidents in their countries.

Some of the lucky "illegal immigrants" still manage to flee to big cities, to find themselves, again, at the bottom of the social ladder. Many of them work in the conditions of the 19th century in the sweatshops that are reappearing in the slums of New York, Los Angeles and Chicago. Laundries, repair shops and even whole factories function there without ventilation and with inadequate lighting in by-streets or in derelict garages. For their backbreaking work the immigrants receive a wage far below the minimum fixed by law.

The "illegals" have to pay a part of their meagre earnings to those who have sold them false papers. According to US sociologists, three-quarters of the "illegal immigrants" regularly pay social insurance fees and an income tax, but only 4 per cent of them can use medical service and are on the dole. All attempts to improve their working conditions have been in vain, because the setting up of a trade union, calling a strike or issuing an appeal to public opinion, or just being ill would be immediately followed by giving out an "illegal immigrant" to the authorities and subsequent deportation.

Since they agree to do any job, "illegal immigrants" are really a bonanza for employers. Though it has never been admitted officially, the work of these people is used in some branches of the US economy to a considerable extent already now. To illustrate: if the authorities deported all the "illegals" from Los Angeles today, the non-ferrous metallurgic industry in the city would be paralysed, most of the restaurants and car repair shops would close down and municipal services would go downhill.

Even if the "illegals" received average wages by US standards, the economy of the United States would still be interested in using them, because the bulk of the immigrants are men not older than 30, that is, people most able to work, and not a cent has been spent on their training either by the federal government or by the taxpayers.

The repeated proposals made in Congress of late to legalise the "illegals" and grant them a status of "permanent residents" have invariably been torpedoed by

the powerful lobby of southern planters and northern sweatshop bosses. The US labour unions have dissociated themselves from the immigrants problem. No wonder: the "illegals" are no threat to skilled labour who make up the backbone of the unions. And those from whom the immigrants take away their jobs—unskilled labour, young people, Blacks and Indians—are for the most part not in the labour unions. Their discontent to a certain extent even helps to maintain social stability because, first, it channels annoyance in a relatively safe direction and, second, it creates the impression among the poorest sections of the population that there are people in a still worse social position than they are.

The Reagan Administration has "contributed" to the solution of the problem of "illegal immigrants" by suggesting that Congress recognise the reality and grant them the status of "permanent residents". But, reckoning with the interests of big business, it made two quite significant reservations in its programme. First, the "permanent resident" status can be given only after ten years of living in the United States. And during that decade the slaves should remain slaves: they would pay taxes and social insurance fees but will not enjoy social security, receive no food coupons or unemployment allowances and have no political rights.

Second, the granting of a "permanent resident" status does not yet mean complete freedom. Under the US legislation, "permanent residents" do not enjoy some major political, social and economic rights. Besides, each US state has a list of so-called protected professions which are meant exclusively for US citizens. Most such lists include the professions of a lawyer, a teacher, an engineer, a doctor and a book-keeper. Only after another five years can "permanent residents" become full-fledged American citizens.

The government's calculation is that during the 15 years of inhuman work an "illegal" is sure to make a slip, and the employer would easily sack him to recruit another "illegal", using a vague prospect of US citizenship as a bait.

The other aspect of making use of the labour of "illegal immigrants" is continuous luring of highly-skilled specialists and scientists into the United States. In the 1970s and the first half of the 1980s the USA has "imported" about 200,000 engineers, doctors and students of natural and social sciences. Up to the mid-1960s the main flow of skilled immigrants came from the industrialised countries of the West (Western Europe, for the

most part), but beginning with the early 1970s and to this day the developing countries account for nearly 80 per cent of immigrant specialists.

As estimated by US experts, the "brain drain" over the past thirty years has enabled the United States to save some \$14,000 million on training highly-skilled research, engineering and medical personnel. And the work done by the specialists produces a still greater effect. Hence the constant search for creative workers abroad and the Congress's legislative activities on these issues which led to the cancellation in 1965 of the old system of quotas based on the national principle and the adoption of a new system of encouraging the arrival of definite categories of specialists.

The "brain drain" is regarded today in many developing countries as a major obstacle to economic growth comparable with hunger and overpopulation. Understandably, no developing country is able to offer its trained personnel the conditions of life and work they can find in America. To stem the "brain drain" by legislative measures is no easy matter, indeed, for most of the emigrants are students and specialists studying or undergoing post-graduate training in the United States, who do not come back home. The outflow of skilled personnel has a telling effect on developing countries. It is more than a waste of money on training these specialists: the "brain drain" actually rules out a possibility of narrowing, not to speak of closing, the technological gap between the USA and the Third World.

This situation bears out the conclusion that the American socio-economic model exists and functions at the expense of the rest of the world, tapping its material and cultural resources and using its own advantageous position in the world division of labour. If all developing countries reached the US economic level and if US business were left no chance to exploit the riches of other countries, the "American model" would have long since lost much of its effectiveness and attraction.

This is precisely why the activities of the US state and American business abroad are not in the least designed to spread the "American model" across the world and "Americanise" the non-socialist world. The "American model" itself is in desperate need of preserving economic inequality, perpetuating the backwardness of developing countries, sustaining social and political tensions in various parts of the world; and of fanning out local armed conflicts. In a word, it is interested in maintaining the conditions in which this model was once at its heyday.

This does not mean, of course, that all that is well for

America is bad for the rest of the world, or vice versa. The attainments of US technology, American goods and investments doubtlessly facilitate to a certain extent economic progress in other countries. But this is solely a side effect of the functioning of the "American model", its main principle being deriving a maximum profit.

The American socio-economic model as it is today takes more from the international community than it gives it. This not only damages America's prestige in the world and threatens to be the source of grave international conflicts in future: in the long term, it has a negative effect on the development of the United States of America itself.

Chapter V

MAN IN QUEST OF A FUTURE

The Americans "Outgrow" Capitalism. The United States in the Changing World. Entering the Epoch of Global Problems. The Prospects Ahead.

The Americans "Outgrow" Capitalism

The pioneers and colonists opposed the American society they had founded to the feudal system of the Old World. From the outset American society was shaped in keeping with a capitalist model. And it is to capitalism that American society mainly owes all its successes, and all its setbacks. But now that the 21st century is near, that economic and political change is breaking the narrow limits of the former "American model", and the American capitalist model is entering into a conflict with many trends of world development, we ask: are not the Americans "outgrowing" capitalism?

As the tendencies of the development of American society are known and scientific forecasts of its future evolution have been made, the question is: what will this society be like when it enters the 21st century?

Probably a higher scientific and technological level will be achieved in the development of US society, and the means of production will be modernised faster than now (partly due to the effects of the long-term capital investment in research and modernisation programmes launched in the first half of the 1980s as a reaction to the loss by the United States of world "leadership" in major economic, scientific and technological areas). At the end of the millennium the United States will reach a high level of technical efficiency and computerisation will extend as far as people's homes and everyday life. There will be neither total technological nor economic superiority of the United States over other advanced capitalist and socialist countries. By that time the United States will have to give up the hope for regaining its overall "leadership" in the world.

The economic growth will continue to slow down, maintained at a "zero" level at times. It will be regularly alternated with periods of cyclic crises and depression. The chronic crisis of the monetary and financial system will be accompanied by ineradicable inflation. The state-monopoly regulation of the economy, despite all attempts by the conservatives to get rid of it in the 1980s, will increase. Attempts by the state to ease the economic crises will step up the centralised regulation and planning of economic processes. Though nationalisation can probably extend not farther than secondary and so-called old industries, the practice of state economic management and organisation, and bringing its effectiveness in line with the private sector in the USA will continue and will be copied by other countries.

Under pressure from the working people the scope and range of social programmes carried out by the state (education, medical care, insurance, etc.) will evidently be expanded, though strict demands will be placed on their effectiveness, and the experience of other societies with well-developed social security, including socialist ones, will be used.

The development of new technologies and the mass media may be followed by a certain deconcentration of production in the United States, though the influence of transnational giants on US economic and political strategies will be growing.

The activity of the military-industrial complex will lead, apart from dangerous political consequences, to serious violations of the economic laws of the US capitalist system, and will have a destabilising political and economic influence.

The nationalistic tendencies towards a revival of a "strong America" will constantly be in conflict with the growing internationalisation of the social and economic processes under way in the world and with the deepening interdependence of societies.

Social polarisation will still be there, with the difference between the incomes of the groups at the opposite poles of society increasing.

In the political sphere the forms and directions of political struggle will change. The significance of the traditional demarcation line between liberals and conservatives, or between the Democrats and the Republicans, will be considerably erased and the old bourgeois political parties will be pushed by powerful public political movements into the backwoods of political struggle. Political alienation from the traditional political institutions will continue. More likely we shall witness new forms of regulating social processes, the rise of the role of local communities and grassroots social movements, and the growth of joint public action in contrast with narrow professional political activity.

The ruling circles will be using a new information technology to manipulate people's minds, there will be more attempts to build authoritarian mechanisms of control and suppression into the US political system, and the radical right forces and movements will be beefed up and used for provocative purposes to oppose democracy and socialist tendencies.

More attention will be paid to environmental protection. However, international standards in that sphere will be achieved in the hard struggle against giant corporations.

Despite the ample opportunities offered by the scientific and technological revolution, the quality of life of the Americans will not satisfy many of them, primarily because it would be impossible to solve the problems of ugly urbanisation.¹

Any social forecasts are, of course, not absolutely dependable. They are based on the study of tendencies in a given society but are not their simple extrapolation, including both essential and secondary (or temporary) tendencies. They should foresee the emergence of entirely new factors, which is possible only if objective regularities of historical development are taken into account. Among these is the onward succession of social systems, with the next system coming when the possibilities of historical progress in the framework of the previous social model are used up and the tendencies of the further development of society come in conflict with its regularities and principles.

Prognostication on the basis of the existing and emerging tendencies in the evolution of American society has prompted the following two conclusions:

First. The negative tendencies and phenomena in the present-day and future evolution of American society are, for the most part, not a "deviation" in the evolution of the "American model", but are the inevitable result of the development of its main principles, the reverse side of its achievements. At the present stage it is impossible to reject the negative elements and mechanisms of the "American model" without preventing its functioning as a whole.

Second. In American society there is a powerful growth of the tendencies that explode and deform the framework of the American capitalist model. These are the tendency of using, in some way or another, elements of regulation, planning and programming of the economy on the national scale, the tendency of creating a single state system of social maintenance to counterbalance the private social maintenance system, the development of various forms of public political action, of public movements and organisations speaking for broad masses of working people and opposed to traditional political structures, etc. Such tendencies can be organic elements of a socialist system. Spreading in the United States today, they evidence that the Americans are "outgrowing" the limits of the capitalist system.

The United States in the Changing World

The economic and political system of the USA and the specific American way of life have enabled the United

States to reach a relatively high development level. At the same time we have mentioned the specifics of the development of the "American model" unacceptable even to Americans themselves, and the potentialities of that modern and rich society which cannot be used under capitalism. But today there cannot be a social model without contradictions and therefore it would be only logical to ask whether the crisis elements of the "American model" are the fair price of the opportunities it offers. Indeed, what is viewed as a grave problem in a rich and advanced society may be not so bad for developing countries.

Foreseeing such a possibility, one should not confine himself to analysing how the "American model" functions in America. One is to see its pros and cons in a global context. Apart from examining its effectiveness or ineffectiveness in the specific conditions of the United States, one should find out if it is of general importance and if it is applicable in other conditions in the future world.

It is beyond doubt that many elements of the American civilisation (such as production management principles and technical achievements) can in themselves help some young states to overcome backwardness. But a number of factors preventing an effective application of the "American model" as a whole in other countries makes it less attractive as a model.

The poorly regulated development of monopolies and transnationals, almost uncontrollable by society, the unco-ordinated use of natural resources and the achievements of scientific and technological progress give rise, as the example of the United States clearly shows, to the threat of an ecological crisis, unrestrained urbanisation, anti-humane use of technical inventions, standardisation of the conditions of life, and the shaping and reproduction of artificial needs sustained solely for the sale of goods and services.

The societies and countries with rich cultural and ethical traditions and with firm social relationships among people taking a good care of their environment, natural wealth, and national heritage do not wish to pay such a price for progress American way.

The emergence of new modern industries, abundance of technological novelties and high efficiency of production—these are the arguments used to prove that the USA is demonstrating to the world what the economy should be like in the 21st century. Meanwhile the analysis of the USA's economy and its foreign-policy strategy shows that the United States in the 1980s has become a "second-rate" economic power by many indices (such

as, for example, the living standard, growth rates in industry, labour productivity, effectiveness of capital investment) and lost some of its leading positions to West European countries and Japan, and some to the Soviet Union. The US economic system is wasteful; it is far from being the most dynamic, promotes the stratification of society, and is getting relatively less effective. At the same time, the positive experience of the USA in organising production is not intended for export and is carefully guarded, remaining the privilege of the United State due to the transfer of outdated and hazardous production processes to other countries, developing ones above all.

It is also obvious that the American system of "pluralistic democracy", examined in the previous chapters, does not suit the political traditions, norms and values and general political culture of most countries in the so-called Third World. Political pluralism and freedom of activity for reactionary political and social forces in the conditions of young states slow down progressive social reforms and add to political instability there. The American idea of political freedoms, which took shape in early bourgeois society, contradicts the ideals of egalitarianism, that is, genuine economic and political equality of citizens in a state and equality of States in the world arena, the ideals which the developing nations are fighting for. Political democracy of American vintage causes a fast deformation of the new principles of economic and social life being established by the young national government, especially destabilising life in the countries with specific political culture.

A reproduction in other countries of the key elements of the American way of life and the system of American values creates a situation in which negative tendencies of social development are copied mechanically: growing social and individual alienation, the break up of close family and neighbour relations, erosion of traditions and stable moral norms and labour ethics, the spread of a feeling of impotence before the impersonal, stereotype social institutions, and a feeling of social pessimism.

Entering the Epoch of Global Problems

The American socio-economic and political system has a telling effect on the processes going on in the world today. But the changing world, too, influences the system. The "American model" had taken shape in the specific conditions of the continent abundant in resources and remote

from the Old World; Americans avoided many of the problems that confronted overcrowded Europe.

From the economic, political, cultural and, most important, military points of view, we live in a world of growing mutual dependence.

At a certain level of economic, scientific, technical and communicatory development or, in other words, at a definite level of the material and cultural development of mankind, there occurs a leap in the globalisation and internationalisation of life in the world.

The start of globalisation and the change of history into "world history" was examined already by Karl Marx. He made a detailed analysis of the internationalisation of economic activity in the world and stated that in his epoch people were beginning to view the world as a system made up of interdependent elements.

By the middle of the 20th century, after the two world wars, the internationalisation processes entered a new phase. That is seen in a new level of the globalisation of economic activity: the national economies have grown more interdependent, which in the capitalist countries is seen in the synchronisation of economic cycles; countries and whole regions have become still more mutually dependent; and transnational economic structures have emerged. Political internationalisation on a global scale has led to the setting up of world political institutions (the United Nations being an example). That was followed by the globalisation of communications and cultural ties. Television, telex, satellite communication, computer-display communication, international exchange of audio and video information—all this makes it possible to establish within seconds a contact between the remotest parts of the world. But there has also emerged a negative form of interdependence—mutual nuclear deterrence.

The contact between various social models has grown closer, people are now better informed about the social and cultural experience of other societies and the dialogue and the struggle of ideas have become more direct.

Different societies are faced with the question which did not exist earlier—that of their attitude to global problems of today, of their participation in tackling these problems, and of the conformity of various social models with the global trends of world development or their opposition to these trends.

Global problems first confronted mankind in the 1960s through 1980s. They cannot be solved by any nation on its own. Joint and co-ordinated efforts of the whole of mankind are needed for that. Is the United States pre-

pared for such joint actions?

World public awareness of the global problems grew in two stages, or two "waves". The first time public interest was attracted by global problems was in the 1960s and the early 1970s, when the world community was alarmed by the threat to the global ecological balance. At that time problems of environmental protection, provision of the growing world population with vital raw materials, energy and food, and exploration of outer space and the World Ocean loomed large. As it has been shown in the previous chapters, the United States, which studied this group of global problems and made the first attempts to solve them, was largely responsible for the emergence and aggravation of these problems. The uncontrolled, unplanned use of natural resources, the efforts to reduce production costs by any means and increase profit, while fully ignoring the harmful effect of technological processes and waste disposal on the environment, the unlawful pollution of the World Ocean—all these actions have been, and still are, a direct result of the main principles of the American socio-economic system. One should remember this as he speaks about a "considerable" contribution made by the United States to the development of industrial waste purification methods, the adoption of ecological limits in production processes, and the improvement of "green revolution" methods for food production in developing countries. At present the USA's "contribution" in the aggravation of all these problems has increased, while the efforts to solve them remain at the old level and in some instances have been abandoned altogether: suffice it to recall the lowering of ecological norms and easement of control over the hazardous production technologies in the early 1980s.

The second "wave" of the awareness of the global problems came in the mid-1970s, its peak being the awareness of the need to avert nuclear war, maintain peace, and restrict militarism and the arms race.

Other global problems of the second "wave" are social and political rather than technological:

- the problem of overcoming backwardness (economic, social and cultural) in the developing countries and regions;

- the problem of reorganising on a fair basis the international economic order and creating a stable monetary and financial system;

- the problem of control by the world community over the activities of transnational corporations;

- the problem of regulating the world information flow and a fair restructuring of the world information and cul-

tural order;

—the problem of controlling demographic processes on the globe, and other problems.

As in the first wave, here, too, the United States directly influenced the appearance and aggravation of most of these problems. This pertains above all to the creation of a nuclear threat to the world and the escalation of the arms race, the shaping of the international economic order which is unfair with regard to developing countries, and the emergence of the "cultural and information imperialism" of the USA in the non-socialist world. As for US attempts to find effective ways of solving these problems in the framework of the world community, the USA displayed a negative attitude in contrast with its previous approach to global problems of the first "wave".

The global tasks of establishing relations of mutual assistance in the world community and achieving a fair and humane reorganisation of international economic, political and cultural relations and legal norms, and the efforts to curb the dangerous arms race have come up against opposition on the part of the "American model". The principles of this model obviously run counter to the aspirations of the majority in the world community.

The Prospects Ahead

A decade ago, US President Richard Nixon, addressing the conference "Future Industrial World", told a parable about three men who, all alone on an island, saw a huge wave rushing in towards them. One of them decided to spend the time left before the imminent death on amusement, the second began to pray, and the third man set to devising a method of breathing under water. The third man was probably an American, Nixon observed. Never before has his searching look into the future been so necessary to us, the President said. Americans should ask themselves which way mankind is moving and what they should do as a nation to influence the course of history, and what the Americans should be like to change the future world, he declared.

Pressed by the immense scientific and technological, political and social changes rolling in on American society one after another, the US capitalist system attempts to learn to "breathe under water" and to hold out against the coming future. In anticipation of imminent change, US theorists ponder over the future of their country and the whole of mankind. For it is no longer enough to be

content with occasional extrapolations and local forecasting. A comprehensive approach to the study of mankind's future is what is required now.

Even when studying local and specific social problems, the tendency to take into consideration the global prospects of development is manifest in the greater part of research into the future being conducted in the modern world. This is perhaps the reason why the international conference on the future of mankind held in Canada, one of the largest of its kind in the 1980s, was entitled "Thinking Globally, Acting Locally". Various signs of the awareness by various nations of objective global trends of development are described in the book *The Aquarian Conspiracy. Personal and Social Transformation in the 1980s*² by M. Ferguson which attracted a large readership in America. Another significant fact is that nearly all the participants in the international conference "The Future of the West", held in California, believed that its name should have been different: the West cannot have a future of its own, without the future of the East, in isolation from the destinies of mankind as a whole.

Today one can often hear calls to preserve the fragile balance of the biosphere of the Earth. Futurologist Alvin Toffler, widely known in the West, has based his study *The Third Wave* on the notion "infosphere", meaning the globalisation of information processes.³ Others speak also of a technosphere of the Earth created by modern man.

Scientists argue whether information networks or technological chains have covered the whole planet or whether they are broken in many poorly developed regions. But most of them agree that a single sociosphere of the planet Earth, the complex and contradictory, though internally interdependent, *world social system* has taken shape. Within this system there coexist, in confrontation and co-operation, interacting societies representing the socialist, capitalist, and in some regions the semifeudal and primitive communal systems at different development levels.

The established principles and regularities of the world social system and its development comprise a *world order*. It takes shape as a result of a combination of historically inevitable processes of the development of individual societies, and of global processes (the scientific and technological revolution, the so-called global problems, transnational economic, political and cultural ties, world public opinion, etc.).

The world order is in a state of constant change and

development, with many imperfections and contradictions present in it today. Not only people's subjective will to build a humanistic society but also objective social reforms are required for improving it. Only by eliminating the exploitation of man by man, economic and political oppression and expansionist and imperialist tendencies that are typical of a number of modern social models will it be possible to ensure coexistence and co-operation within a single world order of societies knowing no antagonisms.

The capitalist system, embodied in the United States, is an element of a world order that is far from exemplary; it has long since ceased being progressive in historical terms and cannot claim to be the only system to determine the principles of a present-day, not to say future, world order. Application of the "American model" on a worldwide scale is impossible in principle, and in practical terms it would not help achieve an effective solution of the problems confronting other countries and other societies, and would fail to promote the solution of global problems. In America itself this model, being unreliable and deformed, often malfunctions. In search for effective solutions the Americans turn more and more often to the experience of other countries, including developing ones.

Ever more people the world over, sober-minded Americans among them, admit that leadership in the solution of the growing number of complex problems of the modern world and society, of present-day scientific and technological development, cannot belong to a single country only, even if it is a strong and dynamic power. No social model operating within definite historical and national bounds is universal; nor has it the right to impose its recipes on other countries and peoples by force.

The difference in geographic conditions, manpower and natural resources, economic structures and political and cultural traditions among the countries of the world, and the presence of inimitable specifics in the development of each of them form a tendency towards individuality, pluralisation, preservation of cultural specifics and social independence of societies. It is manifest in the preservation by each country of its national sovereignty, specific structure, state borders, special economic and political interests, even as compared with other countries within the same socio-economic system. The centripetal tendency towards globalisation and internationalisation of social relations, which has been most clearly pronounced in recent decades, far from lessening the centrifugal tendency of preserving the sovereignty and special interests of individual societies, has been yet another cause

of increasing it.

The social revolutions of the future can and must bring about a replacement of the antagonistic confrontation of opposite social systems in the world by a world order uniting societies based on common and more progressive principles meeting the vital interests of the majority. In that case the difference of interests among various groups and social strata, countries and societies will cease to be associated with the antagonistic confrontation fraught with irreconcilable social conflicts, and will remain as an individualising factor in the evolution of future society.

To improve the present world order, the centrifugal tendency should not be suppressed in favour of a single uniform social model, but there should be a harmonious variety of form in a just and humanistic society. The indispensable condition for achieving this harmony is the transformation of the social models that in the course of history have ceased to be progressive; this should be done on communist principles of social order applied with due account for the social, national, historical, and cultural specifics of each society.

That Marxists are convinced in the communist future of mankind does not mean that they predict the establishment of communism at a fixed time and in concrete forms elaborated in advance. The main direction of developments does not rule out a slowing down or deviating effect of other, opposed trends. The future is born in a complex confrontation of social forces. Frederick Engels wrote: "...History proceeds in such a way that the final result always arises from conflicts between many individual wills, ... there are innumerable intersecting forces, ... which give rise to one resultant—the historical event."⁴

A good deal is written, spoken and argued in the world about revolutionary changes. People of most different ideological and philosophical trends make a wide use of the terms "change", "dynamism" and "revolution". Hundreds of books and articles written of late in the West make a repeated mention of "a shift of paradigms", "social transformation", "biopolicy", "human scale", "information society", "humanistic-ecological society", and so on. A generally accepted subject for discussion is the scientific and technological revolution; much is also spoken of an impending revolution in man's biological nature, of a revolutionary break-through into a post-industrial society. There are so many "revolutions" being discussed that the social revolutions changing the forms of ownership and social relationships with regard to production and distribution of material and cultural values are pushed into the

background. Marxists are accused of failing to see various "post-industrial", "information" and other cardinal changes behind the "stereotype" of social revolution.

US sociologist Daniel Bell, a "father" of the theory of post-industrial society, writes that industrial society rests on machine technology, post-industrial society is created by intellectual technology; while capital and labour are the basic elements of industrial society, he says, information and knowledge are the basic elements of post-industrial one.⁵ The "post-industrialism" version suggested by Alvin Toffler has become widespread in the West. While the societies in the world today are based on principles of centralisation, exploitation of natural resources and maximisation of output and consumption, writes Toffler, the society of the future will give preference to information and new small-batch production technologies. In his sociological bestseller *The Aquarian Conspiracy* M. Ferguson focuses on the trends in the development of man's ecological consciousness, a revolution in the means of communication, and so on.

But does the Marxist idea of the communist future rule out the study of the processes and phenomena mentioned in the theories and researches we have spoken about? Not in the least. The advancement towards the variety of form in a communist society presupposes vast technological reforms and information changes, and also changes in the relationship between man and nature and a perfection of the biosocial nature of man. Marxists are studying these processes, giving their own assessments which largely disagree with the interpretations of bourgeois theorists. The key argument of Marxists in their polemics with bourgeois researchers is that the impact of global trends and changes is different under different social systems, in the conditions of capitalist and socialist models of development.

The socialist countries have a great role to play in the modern world. United with them is a large group of countries that have opted for the socialist path of development. Socialism demonstrates to the world that after a socialist revolution there emerge new opportunities for revolutionary change in every sphere of human activity, making it possible to combine the scientific and technological revolution with the advantages of a planned socialist organisation of science and production. Socialism has a wealth of experience in overcoming the backwardness of economically less-developed nations and whole regions, and in eliminating a lopsided, unbalanced economic development in once backward societies. The socialist countries

do not follow the path of a neocolonialist enslavement of the young states embarking on the socialist road, in contrast with the capitalist powers offering their "aid" to developing countries. Socialism suggests the ways, tested in practice, of building in the young states an infrastructure and industry owned not by foreign investors or transnational corporations but by the people who have chosen the socialist path of development. It proposes the path of overcoming cultural backwardness, thus enabling these countries to preserve their national and cultural identity.

It is only natural that the socialist experience should be applied in the nascent states carefully, with due account of national and social specifics. "We do not claim," wrote Lenin, "that Marx knew or Marxists know the road to socialism down to the last detail. It would be nonsense to claim anything of the kind. What we know is the direction of this road, and the class forces that follow it; the specific, practical details will come to light only through the *experience of the millions*."⁶ The building of socialism takes on different forms in many countries of the world. This diversity, which will be increasing in future, shows that the origin and evolution of socialism is a response to the objective needs of various nations, that it does not allow stereotypes or a thoughtless copying of the experience of others.

The Marxist ideas of *one* communist future for all do not mean a *uniform* future. A future society will offer broad opportunities for individuality, social experimenting, and independence. The socialist, and then communist, type of society, and the socialist and communist type of man do not appear automatically the next day after a revolution, and the people who made the revolution are responsible for a proper implementation of the proclaimed ideals and principles. The application of the chosen social model is a complicated process, nearly always a contradictory one, and in different societies it is leading to different practical results. The chosen models of socialist and communist changes differ from one another from the outset, though their essential elements coincide.

The communist world order presupposes continuous quest, development, improvement. Its establishment will go through various stages and its further evolution will be successive epochs, each with its own historical content, co-operation and interaction of particular social models within a new socio-economic system. Marxist humanism rests on the ideal of the unity of the whole of mankind in a future communist society. Marxism does not say, however, that there is going to be a merger and complete

unification of different societies; it regards real social and political processes, taking into account the presence of the capitalist and the socialist system in the world today and the influence this has on world history. It considers that deep-going socio-economic, scientific and technological and cultural reforms should precede the creation of a new civilisation.

Mankind, divided today but united by its goals in the future, will use all of its creative potential for an all-round and free development of man.

The prospects before mankind are unlimited indeed. But people should be able to realise them as they consciously build their future.

References

- 1 Shakhanazarov G., *The Coming World Order*, Progress Publishers, Moscow, 1984; Kosolapov, V. V., Lisichkin, V. A., *Critique of the Bourgeois Concepts of the Future*, Moscow, 1978; Ozhegov Yu. P., *Social Broadcasting and the Ideological Struggle*, Moscow, 1975.
- 2 Ferguson, M., *The Aquarian Conspiracy. Personal and Social Transformation in the 1980's*, New York, 1981.
- 3 Toffler, A., *The Third Wave*, New York, 1980, p. 66.
- 4 "Engels to Joseph Bloch in Königsberg. London, September 21-[22], 1890". In: Marx/Engels, *Selected Correspondence*, p. 395.
- 5 Bell, D., "The Coming of Post-Industrial Society". In *Dialogue* (USA), 1978, vol. 11, No. 2, p. 4.
- 6 V. I. Lenin, "From a Publicist's Diary", *Collected Works*, Vol. 25, Progress Publishers, Moscow, 1977, p. 285.

REQUEST TO READERS

Progress Publishers would be glad to have your opinion of this book, its translation and design and any suggestions you may have for future publications.

Please send all your comments to 17, Zubovsky Boulevard, Moscow, USSR.



MAN AT THE THRESHOLD
OF THE
XXIST CENTURY

The "AMERICAN MODEL" on the Scales of History

The authors, young scholars specialising in international affairs, examine various aspects of the "American model" of social development, which is widely acclaimed in the West and in developing countries. As this book shows, the historical experience of America is highly diverse: the enormous economic potential of the USA, and outstanding achievements in science and technology are combined with deep disproportions in the economy, acute economic crises, and the barbaric destruction of natural resources. The pluralism of political life and various public movements exist parallel to the total domination of the two major political parties.

The main question which the authors consider is whether the American recipes for economic, social and political development can be applied to other countries and societies; whether America can serve as an example and instructor for them; whether or not the "American model" meets the requirements of social progress; and whether it is applicable in other countries at all, or is in need of serious reconsideration in America herself.

**Progress Publishers
Moscow**